







# THE ECONOMICS OF THE KINGDOM OF GOD







# THE ECONOMICS OF THE KINGDOM OF GOD

BY

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W.C.



## PREFATORY NOTE

I HAVE been asked to write a few words of introduction to this book. I am doing so for friendship's sake, though surely the author needs no introduction to the public. But such a book as this is greatly needed. The utterances of those entitled to speak for different groups of Christians on the industrial problem are scattered over many books, journals and pamphlets. The attempts of industrialists to show the way towards its solution, in Britain and the Dominions, and in the United States, have been many and various. What is offered here is a statement of the Christian ideal—the Kingdom of God, a collection of representative Christian utterances on what its realization to-day would mean, and a selection of attempts which are being made or suggested to move towards its realization in practice. I hope and pray that this attempt of a stalwart and well-equipped combatant in the great cause to supply the sort of material which multitudes are asking for will have the blessing of God upon it, and (whether the readers of the book are able to accept all the opinions expressed or no) widely serve the purpose with which it was written.

CHARLES GORE.

*September 1, 1926.*



## PREFACE

BISHOP GORE's introductory note will sufficiently explain the purpose of this book. He is in no way responsible for any of my own opinions expressed in these pages. But I am glad that the book goes forth with his blessing ; for many of the documents quoted and the movements described owe their inspiration to him and to his teaching ; and I myself more than I dare to say.

The limitations of the book will be obvious. I have been obliged to confine myself chiefly to the movement in England, and to omit reference to the many efforts made in France and Germany by sons of the Roman Catholic Church. In order to keep the book at a price which will make it available for those for whom it is written, I have been obliged to reserve for future treatment the two fundamental factors in economics—land and credit. For the same reason I have tried to state economic principles in as simple a form as possible.

I must express my sincere gratitude to Brother Sydenham of my Community for many useful suggestions made in the course of helping me to correct the proofs ; and to Miss A. Hartley for the skill and accuracy and zeal with which she has made the type-written copy from a difficult manuscript. The quotations from several of the documents are not as full as I could wish ; but I hope they are sufficient to make those who read them study the books or pamphlets quoted. My purpose

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has been to provide Christian readers with material for forming a social conscience, and social reformers with an assurance that the mind of Christ is with them whenever they are pleading for a just and righteous reorganization of our social life.

PAUL B. BULL, C.R.

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# THE ECONOMICS OF THE KINGDOM OF GOD

## CHAPTER I

### THE KINGDOM OF GOD

#### I. WHAT IS THE KINGDOM OF GOD ?

THE Gospel of the Kingdom of God was more than the dominating note of the message of our Lord. It was the consuming passion of His Sacred Heart. Ninety-nine times over in His recorded sayings He refers to it. It was the Gospel He came to preach. "After that John was delivered up, Jesus came into Galilee, preaching the Gospel of God, and saying, 'The time is fulfilled, and the Kingdom of God is at hand. Repent ye, and believe in the Gospel'" (S. Mark i. 14). And as it was the first utterance of His Ministry, so it was the last subject of His discourse as, after the Resurrection, He appeared to His disciples "speaking the things concerning the Kingdom of God" (Acts i. 3). While He says very little about the salvation of the individual soul, the coming of the Kingdom of Heaven or of God was the burden of all His preaching, the meaning of His parables, the centre of all His thoughts, the flaming passion of His heart.

What did those who first heard Him understand by this phrase? We must remember that the crowds who gathered round Him had been educated on one book

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alone—the Scriptures of the Old Testament, the writings of the Prophets, the Poetry and History of their race. From these they had learned the meaning of the words, though that meaning had often been obscured and misinterpreted by a narrow patriotism and by a misunderstanding of God's purpose in electing them as His chosen people, and by ceremonial substitutes for ethical values. We may define the Kingdom of God as the organization of human society in obedience to the will of God and for the fulfilment of His purpose.

We may note three points in the revelation of the Kingdom in the Old Testament.

### *1. The Kingdom is Supernatural.*

It may be well at once to make clear in what sense this word supernatural is used in what follows. By "natural" we mean the energizing of those forces which God has implanted in created things. By "supernatural" we mean the activity of a force or Person who is not included in the sum total of created things. By "Kingdom" we mean the Dominion of a King, the sphere in which His will is dominant and His authority recognized. The belief in the doctrine of the absolute dominion of God rests on the belief in God as Creator. He reigns over inanimate creation by necessity, over the animal kingdom by instinct, over man by inspiration and free response. If this free response to God's will had always been given by man, the Kingdom of God would have rested on a Creation basis. But since the fall of man, that bias to selfishness, frustrates this, the moral Kingdom must be won by Redemption and Regeneration. Vital Union with our Lord, the reception of His Person and Message, faith in Him, surrender to Him, the keeping of His commandments

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that is, doing the will of God—this is the Kingdom of Grace. The Kingdom of God is supernatural, then, because it is revealed by God to men, and has the fulfilment of His will as its purpose, and its power to fulfil His will from His grace.

### 2. *The Kingdom is Ethical.*

The basis upon which the Kingdom of God is founded is the two commandments, with their threefold reference, laid down in the Old Testament and reaffirmed by our Lord.

“Thou shalt love the Lord thy God with all thy heart and with all thy soul and with all thy mind. This is the great and first commandment. And a second is like unto it. Thou shalt love thy neighbour as thyself. On these two commandments hangeth the whole law and the prophets.”

This bases the Kingdom of God upon the revealed dogma of the Love of God and provides an ethical test of social life, to love our neighbour as ourselves.

It should be noted that the love of God for man is not a sentiment or emotion, but a will—“an eternal will to all good for all men.” And so our love for Him must be not merely a sentiment or emotion, but a love of the will—the will to do His will. Both for Jew and Christian God is not merely an Idea. He is Energy, a Righteous Will which has dynamic force, and expresses Himself in life and history. Christianity “has always believed in the importance of events, in the Time-process, as the embodiment of a Divine Purpose in a Divine Community, which represents a cause to be lived for and died for, in the ultimate consummation which will bring the cause to triumph and give its meaning to human history. And some such view of

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the world is apparently felt by modern thinkers to be most philosophically satisfying." "It is the view which sees the universe as a process embodying a Purpose—the Purpose of God, the end to which it is directed being the realization of values through the voluntary self-determination of finite spirits under the inspiration of the Holy Spirit" (Edwin Bevan in *The Pilgrim*, vol. iv, No. 1, p. 22).

The Prophets discerned and proclaimed this Will of God to be a Just and Righteous Will. "Clouds and darkness are round about Him; Righteousness and Judgment are the Foundation of His Throne" (Psa. xcvi. 2). "Righteousness and Judgment are the Foundation of Thy Throne, Mercy and Truth go before Thy face" (Psa. lxxxix. 14).

In the name of the Lord they thundered against the social iniquities of their time. They denounced the ceremonialists with their incense and new moons and church-going. "Hear the word of the Lord. . . . Bring no more vain oblations. . . . I cannot away with iniquity and the solemn meeting. Your new moons and your appointed feasts my soul hateth." God will turn away His eyes from them, and will not hear their prayers. "Your hands are full of blood. Wash you, make you clean; put away the evil of your doings from before mine eyes; cease to do evil: learn to do well; seek judgment, relieve the oppressed, judge the fatherless, plead for the widow." Their princes are rebellious and companions of thieves; everyone loveth gifts (bribes) and followeth after rewards; they judge not the fatherless. So the wrath of God is on them (Isa. i. 13-24). "The Lord will enter into judgment with the elders of His people, and the princes thereof: it is ye that have eaten up the vineyard; the spoil of

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the poor is in your houses. What mean ye that ye crush my people, and grind the face of the poor? saith the Lord, the Lord of Hosts" (Isa. iii. 13-15). They denounce the landlords. "And they covet fields, and seize them; and houses, and take them away." "They abhor judgment and pervert all equity. They build up Zion with blood, and Jerusalem with iniquity" (Micah ii. 2; iii. 9). They have dared to interfere with the poor man's rights (Isa. x. 2). One gathers from the denunciations of the Prophets that for long periods Israel was almost as religious and corrupt as England and America are to-day.

### 3. *The Messianic Hope.*

But amidst all this corruption their hope never failed them. They saw a remnant of honest men, and they held fast to their faith in a righteous God, and in His promise to send a Redeemer to found His Kingdom among men.

The Messianic Hope began with an individual—Abraham, in whom all the nations of the earth should be blessed. It expanded into a Chosen Race who should be the "servant of the Lord." It then was concentrated upon a single individual, the Messiah, the King who would establish God's Kingdom. This was fulfilled in our Lord Jesus Christ, the Son of God, and King of Kings, and Lord of Lords. And it was expanded once more into the Holy Catholic Church, the Fellowship of the Holy Ghost. In this we see the fundamental principle of the Kingdom illustrated: it is that all healthy social life is dependent on the redemption and sanctification of the individual, and that the individual can only be redeemed and sanctified in the Divine Fellowship, to which further allusion will be made.



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### II. OUR LORD'S TEACHING.

“And Jesus went about in all Galilee teaching in their synagogues and preaching the Gospel of the Kingdom, and healing all manner of diseases and all manner of sicknesses among the people.”

#### *1. His Redemption is Corporate.*

The Gospel is not the proclamation of the way in which individuals one by one may be saved. Christ taught a corporate redemption. Sin is selfishness. Man can be saved from selfishness only by being incorporated into Brotherhood. Man can be saved only by losing the hard, isolated individual self in the larger self of Fellowship. So our Lord fashioned this Corporate Life by knitting together the Apostles into a Brotherhood which was animated by union with Him, and empowered by the gift of the Spirit. Both in time and in emphasis the Corporate Life is prior to the individual. He would not allow His Apostles to preach a word of the Gospel nor to convert a single soul until the Spirit had welded them together into a Fellowship. “Tarry ye in the city until ye be clothed with power from on high” (S. Luke xxiv. 49). When, after the Resurrection, the Apostles, not yet entirely free from the narrow patriotism they had learned in their youth, asked Him, “Lord, dost Thou at this time restore the Kingdom to Israel?” He answered, “It is not for you to know times or seasons, which the Father hath set within His own authority. But ye shall receive power when the Holy Spirit is come upon you: and ye shall be my witnesses both in Jerusalem and in all Judæa and Samaria and to the uttermost parts of the earth” (Acts i. 7-8). When, on the Day of Pentecost, the

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Spirit had fallen on the Apostles and bound them together in the Fellowship of the Holy Ghost, then individual souls were incorporated into this divine and human Fellowship, the Holy Catholic Church. The Church is not coterminous with the Kingdom ; it is the instrument for the establishment of the Kingdom, and the representative of the Kingdom on Earth : just as the Army is not coterminous with the Kingdom of England or the Empire. It is not an end in itself, but a means, the instrument for establishing the dominion of the King, and represents His authority in maintaining Justice, Law, and Order. So in the foundation of the Kingdom of God among men, a Kingdom based not on force but on love, whose foundations are Righteousness, Justice, Faith, and Freedom, the Church is the God-appointed means for the fulfilment of the Will of God in the founding of His spiritual Kingdom among men. Her method is persuasion ; her army is her band of missionaries ; her strategy fellowship ; her tactics self-sacrifice ; her weapon love. The end or purpose of the Church is to establish the Kingdom of God in the hearts of men, and if she were to forget this end she would deserve to be cast away as the Jews were when they were faithless to God's purpose.

### 2. *His Denunciation of Evil.*

Our Lord when He began to preach the Gospel of the Kingdom found Himself faced with a static institutional Church, insolent in the pride of election, deep-dyed with the prejudice of class, inflamed with narrow and passionate patriotism, and absorbed in the trivialities of ritual and ceremonial legalism, which had obscured the moral values of justice and righteousness, and hardened the heart against the claims of humanity. He

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scourged their pride with terrible denunciations. He poured ridicule on the claims of the ruling classes. He imperilled their vested interests. He exposed the hollow shams of their conventional religion. He everywhere exalted human values above ceremonial observances. He shattered their narrow patriotism and pride of race by holding up to them the example of the Good Samaritan and the Centurion, and foretelling "that many should come from the east and from the west and sit down with Abraham, Isaac, and Jacob in the Kingdom of heaven; but the sons of the Kingdom shall be cast forth into outer darkness: there shall be weeping and gnashing of teeth" (S. Matt. viii. 11). He imperilled what we call Law and Order and the Constitution, and spoke treason against the State by the parable which the rulers perceived was spoken against them, the parable of the Wicked Husbandmen ending: "Therefore I say unto you, The Kingdom of God shall be taken away from you, and shall be given to a nation bringing forth the fruits thereof" (S. Matt. xxi. 43). He seemed to them to blaspheme as He took point after point of the Law of Moses and on His own authority corrected or expanded it. But above all, He challenged their most sacred Institution, the Sabbath, which was to the Jew as sacred as Property is to the Englishman, and He insisted that human values must always override the ceremonial laws of Sabbath observance (S. Matt. xii. 1). He deliberately challenged every prejudice and exposed every hypocrisy, and united in bitter hostility to Himself all the leaders of the professedly religious people, the Scribes, Lawyers and Pharisees. Beneath the "Woes" which He hurled at the rulers of the people they felt that He really imperilled Law and Order, and that in the interests of stable

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government "it was expedient that one man should die for the people, and that the whole nation perish not" (S. John xi. 50).

Now every point mentioned in this description of the destructive side of our Lord's ministry, the destruction of shams and the exposure of falsehood, His championship of the poor and oppressed, has its counterpart in modern life; and we must ask ourselves: Are professing Christians bearing a faithful witness against all forms of falsehood and wrong? are they championing the poor and placing the care of human life in every case above the rights of property? or are they allowing class prejudice, or ceremonial exactness, or conventional religion, or Biblical phrases, to blind them as to the great issues about which God cares supremely—Righteousness, Justice, Love and Mercy?

### 3. *The Principles of the Kingdom.*

But the denunciation of evil was only one part of our Lord's teaching. Destruction is essential to clear the ground, but it never creates anything. So while our Lord tried to save the Pharisees and bring them to repentance by the exposure of their hypocrisy and the wounding of their pride and prejudice, He laid down the constructive principles on which the Kingdom of God was to be established and which were to guide its development.

It would be misleading, I think, to speak of the Laws of the Kingdom, as our Lord had not come to establish the Kingdom by Law, but by Love. Instead of dictating a code of laws which would inevitably have become obsolete as the years went by, and the habits of men changed, and sin manifested itself in ever-changing forms, He laid down certain principles of abiding validity

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by which every form of human society was to be tested and approved or condemned. These cannot be better stated than in that great book *Christianity and Industrial Problems*. This is the Report of a very strong Committee which included such eminent Economists as Mr. A. L. Smith, Master of Balliol, and R. H. Tawney, and business men such as W. L. Hichens, the Chairman of Cammell, Laird & Co., and Mr. W. C. Bridgeman. This Report was published by the Society for Promoting Christian Knowledge, Northumberland Avenue, London, W.C. 2, in A.D. 1918, and can be had for two shillings. They say—

### **A. EXTRACTS FROM “CHRISTIANITY AND INDUSTRIAL PROBLEMS.”**

#### **I. CHRISTIAN PRINCIPLES.**

- (i) The principle of human value must work towards more complete equality, both of opportunity and consideration ; “each counts for one, and not more than one.”
- (ii) The principle of SERVICE by each and all as the ideal of human life expressed in the words, “I am among you as he that serveth,” must result in a greater abolition of privilege and social authority on the part of individuals or classes, and towards government or management of all by all.
- (iii) The principle of LOVE and BROTHERHOOD must inspire a fuller organic unity of human society.
- (iv) The principle of the SANCTITY of PERSONALITY must achieve a fuller and more abundant life, both spiritual and material, for all human beings.

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### II. MATERIALISTIC ECONOMICS.

- (i) Christian opinion ought to condemn the belief that economic conditions are to be left to the action of material causes and mechanical laws (*Committee of Lambeth Conference of Bishops*,
- (ii) It need not, indeed, be denied that such a view of life (the materialistic) produces results which are outwardly brilliant and imposing in the world both of politics and of industry. By relieving men of the moral restraints which control the strong and protect the weak, it simplifies their problems, and enables them to concentrate on the organization of power—power to govern or power to produce.
- (iii) It offers them power, affluence, material comfort, “all the Kingdoms of the world and the glory of them.”
- (iv) But whatever spectacular achievements it may have to its credit, the spirit which would divorce economic activity from religious considerations is distinctly and peculiarly unchristian. It is unchristian not only in its failures, but even more in its successes.
- (v) Divorced from spiritual standards, industry is only too likely to degenerate into a struggle to escape poverty or to obtain riches, in which some of the finer qualities of human nature, kindness and love of beauty, and the temper of disinterested service, may be crushed by the single overmastering motive (p. 11).
- (vi) Industry is, in short, a social function which ought to be carried on, in the words of

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Bacon (*The Advancement of Learning*), "for the glory of the Creator and the relief of man's estate."

- (vii) It can hardly be doubted, indeed, that the common assumption that the attainment of riches is one of the main ends of man, and that the criterion of social organization is its power to facilitate the pursuit of them, is not so much unchristian as anti-Christian ; for it leads, when accepted, to the subordination of the religion of the Spirit, to a religion of gain.

### III. THE SOCIAL MESSAGE OF CHRISTIANITY (p. 18).

Such considerations should result, we believe, in increased emphasis being laid by the Church upon the social message of Christianity. It is important for it to insist, for example—

- (i) That the duty of personal work is incumbent on all.
- (ii) That idleness and institutions which encourage idleness, whether among rich or poor, are wrong.
- (iii) That the primary function of industry is social service, not merely personal gain.
- (iv) That a man is bound to judge his economic activities, not by the profits which they bring to himself, but by the contribution which they make to the well-being of others.
- (v) That it is wrong to take advantage of the necessities of the public, or of private individuals, to drive a hard and profitable bargain.
- (vi) That it is wrong to adulterate goods or to charge exorbitant prices for them.

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- (vii) That an industry which can only be carried on by methods which degrade human beings ought not to be carried on at all.
- (viii) That property is not held by absolute right on an individual basis, but is relative to the good of society as a common weal.
- (ix) That if an institution is socially harmful, no vested interest is a valid plea for maintaining it.
- (x) That members who are living idly, whether on charity or inherited wealth, when they are able to work, are committing a sin.
- (xi) That luxury and waste in any class of society are not only correspondent to, but largely responsible for, the want and destitution which are a blot on that society, and that the connection of cause and effect needs to be clearly indicated to those concerned.
- (xii) That industry is a social function carried on for the benefit of the whole community.
- (xiii) That the economic life of Christians ought to be inspired by the motive of service.

### IV. THE TEST OF THE SOCIAL ORDER.

“ The social order must be tested by the degree in which it secures for each freedom for happy, useful and untrammelled life, and distributes as widely and equitably as may be social advantages and opportunities ”  
(*Conference of Bishops, Lambeth, 1897, p. 19*).

It is interesting to compare with this the Bill of Rights adopted by the Methodists in America and published in 1908 in the *General Conference Journal*, p. 545.



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### B. THE METHODIST "BILL OF RIGHTS, U.S.A." <sup>1</sup>

We deem it the duty of all Christian people to concern themselves directly with certain practical industrial problems. To us it seems that the Churches must stand—

1. For equal rights and complete justice for all men in all stations of life.
2. For the right of all men to the opportunity for self-maintenance, a right to be wisely and strongly safeguarded against encroachments of every kind.
3. For the right of workers to some protection against the hardships often resulting from the swift crises of industrial change.
4. For the principle of conciliation and arbitration in industrial discussions.
5. For the protection of the worker from dangerous machinery, occupational disease, injuries and mortality.
6. For the abolition of child labour.
7. For such regulations of the conditions of toil for women as shall safeguard the physical and moral health of the community.
8. For the suppression of the "sweating system."
9. For the gradual and reasonable reduction of the hours of labour to the lowest practicable point, and for that degree of leisure for all which is a condition of the highest human life.
10. For a release from employment one day in seven.
11. For a living wage as a minimum in every industry,

<sup>1</sup> From *Christianizing the Social Order*, by Walter Rauschenbusch (Macmillan)."

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and for the highest wage that each industry can afford.

12. For the most equitable division of the products of industry that can ultimately be devised.
13. For suitable provision for the old age of the workers and for those incapacitated by injury.
14. For the abatement of poverty.

To the toilers of America, and to those who by organized effort are seeking to lift the crushing burdens of the poor, and to reduce the hardships and uphold the dignity of labour, this Council sends the greeting of human brotherhood and the pledge of sympathy and of help in a cause which belongs to all who follow Christ.

Page 545, *General Conference Journal*.—"We demand of every agency and organization of the Church that it shall touch the people in their human relationships with healing and helpfulness, and finally be it remembered that we cannot commit to any special agencies the charge that all the Church must keep. Upon every member must rest a solemn duty to devote himself, with his possessions, his citizenship and his influence, to the Glory of God in the service of the present age. And thus, by their works, as by their prayers, let all 'the people called Methodists' seek that Kingdom in which God's will shall be done 'on earth as it is in heaven.'"

Page 16.—To this the Northern Baptist Convention in 1911 added: "The control of the natural resources of the earth in the interests of all the people: the gaining of wealth by Christian methods and principles, and the holding of wealth as a social trust: the discouragement of the immoderate desire for wealth and the exaltation of man as the end and standard of industrial activity."

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## C. THE U.S.A. REPORT ON THE CHURCH AND INDUSTRIAL RECONSTRUCTION.<sup>1</sup>

### CHAPTER V.—PRESENT PRACTICABLE STEPS

#### I. MEASURES DESIGNED TO DEVELOP AND PROTECT PERSONALITY.

##### (a) *Providing Security against Unemployment.*

###### 1. *Principle.*

The worker, by virtue of the contribution of his labour and skill and experience, has made an investment in the industry, and is entitled to protection therein as truly as the employer who contributes his organizing ability or the investor who contributes his capital.

###### 2. *Labour-saving Profits.*

A portion of any extra profits arising from labour-saving improvements might be placed in a special reserve fund to compensate workers who cannot be absorbed or placed elsewhere (British Quaker Employers).

###### 3. *Steadying Employment.*

By deliberate planning production could be kept at a more uniform level in spite of fluctuations in demand.

In seasonal trades the fear of unemployment, which naturally inclines men to make the work last as long as possible, is one of the main factors tending to the restriction of the output.

<sup>1</sup> Association Press, 347 Madison Avenue, New York City, N.Y. U.S.A., 1920."

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### 4. *Dovetailing Occupations.*

Systematically. So that winter loggers can find summer places as harvest hands. A governmental policy of absorbing surplus labour in a programme of public works, which can be carried on with the greatest vigour during the very periods when industrial slackness is most acute (p. 137).

### 5. *Unified Country-wide Labour Exchange.*

### 6. *Programme of Public Works.*

Which could be done at any time, and must be done at some time—street making, waterworks, painting public buildings.

### 7. *Maintenance.*

“ Since enforced unemployment is the fault, not of the individual, but of society, we have no moral right to compel the consequences to be borne individually ” (e.g. Army and Navy.—P. B. B.).

“ In the present legislation for accident insurance, the soundness and importance of which we all now take for granted, we recognize this principle that the worker who has been necessary to an industry has a right to support if his opportunity for earning a livelihood is taken away. The extension of such a programme of insurance to cover enforced unemployment from any cause is a measure which in principle is thoroughly in accord with the Christian sense of social responsibility. Our first aim is to enable every man to bear his own burdens, but failing that, to bear one another's burdens is only a fulfilling of the law of Christ.

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### (b) *Providing Income for All Sufficient for Self-realization* (p. 138).

1. The problem is one in which "the eternal rights of the spirit are at stake." With it are connected questions of education, culture, home-life, even moral and spiritual character. . . . It must mean the making possible of a material environment in which men and women can come to their full growth as children of God.

The Church's chief concern is not to determine the amount of a living wage, but to insist upon the principle that the payment of such a wage, as determined by social experts, must be regarded as a first charge against the industry, a condition of its existence, a necessary business liability.

2. The assumption that a living wage can be secured presupposes, of course, the *fallacy of the so-called "iron Law of Wages."*
3. *Parasitic Industries* (p. 143).

The Christian will insist that an industry which has to depend for its existence on paying wages inadequate for proper living is parasitic and that the Community is better off without it. For the Christian at least the test of efficiency is not simply the abundance of things that are produced, but the effect upon human life.

### (c) *Providing Leisure for All Sufficient for Self-realization* (p. 143).

1. If, as we found in an earlier chapter, a certain amount of leisure is a necessary condition of the best living, if to a large extent the possibility of worthy family life, intelligent citizenship, and even

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*spiritual personality is dependent upon it, a Christian society must be concerned to provide such leisure for all its members.*

2. It is not possible or desirable to say how many hours a man shall work in this report. "But it is tremendously important to secure everywhere the hearty acceptance of the principle that ALL PRODUCTION is for the sake of HUMAN WELFARE, and hence that working hours should be determined with a primary concern for the personality of the workers.
3. Lord Leverhulme (*The Six-Hour Day*, 1919, pp. 16-18).

"We have learned much during the last three years on the subject of fatigue, over-work, and excessively long working hours. We have proved conclusively that prolonged hours of toil, with resulting excessive fatigue, produce after a certain point actually smaller results in quantity, quality and value than can be produced in fewer hours when there is an entire absence of over-strain and fatigue."

But machines don't feel this except to a limited extent. Therefore the solution is—work machines more and men and women less.

"We must have a six-hour working day for men and women, we must work our machinery twelve, eighteen, or twenty-four hours per day."

4. The many experiments in the efficiency of the short working day, made both in Government and in private industries, practically all agree in establishing the inefficiency of long working hours.

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5. If we are to hold to our Christian conviction of the primacy of human values, that scale of hours must finally be adopted which most adequately ministers to fullness and richness of life in society at large (p. 146).

The protection of the right of the spirit of man is superior to the protection of material gain.

### *(d) Protecting the Personalities of the Future.*

Nothing less than abolition of child labour, except in tasks of definite educational value, is consistent with the Christian concern for the future character of the race.

*Resolve.*—That the minimum age for leaving school and for engaging in gainful occupation be sixteen (p. 149).

## II. SECURING A DEMOCRATIC ORGANIZATION OF INDUSTRY MORE CONSISTENT WITH BROTHERHOOD.

First Step—"collective bargaining."

"For workers to be unorganized in a highly organized corporation, which is itself a union of capital, means that they are practically impotent to better their position" (p. 153).

"Unless the community will guarantee an adequate standard of life for its citizens, we cannot refuse any unprotected group the opportunity to secure it for itself" (p. 154).

## CHAPTER VIII.—WHAT THE CHURCH CAN DO

### 1. *Is the Church Useless?*

Even within the Church itself there is a conspicuous lack of a genuinely democratic fellowship.

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So the more radical conclude that the Church, like other established institutions, is a bulwark of privilege, an unthinking defender of the *status quo*, while the more sympathetic critics regretfully decide that, however well-intentioned the Church may be, it is practically a negligible factor in the great task of securing a better social order in the world (p. 211).

### *God's Purpose (p. 213).*

For the Christian, God is One who has a definite purpose for mankind, a purpose that includes all aspects of life. That purpose is the transforming of human society into what Jesus called the Kingdom of God—a social order in which all men conscious of their sonship to God will live with their fellows as brothers and seek the common good. To worship God, therefore, is to commit oneself to this divine goal for the whole family of men.

### *Faith in God.*

A conviction of the reality of God means also the assurance that the Christian ideal of Society organized around the principle of brotherhood is more than a fanciful picture of what we would like to have, if it were possible. It means that this Ideal is rooted in reality and that it is therefore a practical programme for mankind. Faith in God is thus an immeasurable dynamic for social action, challenging men to share in a task which is not merely of men's weak contriving, but one which humanity may confidently hope to achieve because it is woven into the warp and woof of creation. It is because we are labourers together with God



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that we know that our labour will not be in vain in the Lord.

### WINNING MEN TO THE CHRISTIAN IDEAL (p. 214).

1. The Church should be the well-spring of social idealism, of passion for brotherhood, of the spirit of sacrificial service, because its gospel reveals to men the City of God that is being built upon the earth.

#### 2. *Principles* (p. 215).

It is only as we make earnest with His teaching concerning the sacred worth of every personality, brotherhood as the primary relationship among men, the obligation of mutual service, love as the controlling motive, and faith in God and in humanity, that the problems of collective living can be fully solved.

#### 3. *Radical Preaching* (p. 215).

“ The prime function and duty of the Church to-day is not to evolve new chaos, but to carry to their very roots ideas which have long been familiar ” (Raymond Calkins).

#### 4. (a) *Social Evangelism* (p. 216).

Men must be evangelized as social beings. “ To accept Christ ” must be definitely made to mean to accept Him as one’s Master in all one’s social life.

#### (b) *Religious Education* (p. 218).

Our (U.S.A.) State system of education gives no place to training in religion, and the almost inevitable effect is that to the youth who has been trained

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under the direction of the State religion does not seem an integral part of education. Upon the Church, therefore, rests the tremendous responsibility of supplying the vital elements of education that our general educational system does not provide. . . .

*The problem of Christianizing society is at heart an educational problem.*

We are told in a way that leaves little room for doubt that the average American man does not know what we mean by the Kingdom of God as a social order that is to come upon the earth.

“He does not know that the Church has a social gospel and a social mission ” (p. 220).

“In the widest sense, of course, education is simply another term for the total influence of social surroundings upon personality. The present unchristian economic and industrial standards are part of the surroundings that are influencing the formation of character ” (p. 221).

*Promoting an Understanding of the Social Conditions to which Christian Principles are to be Applied.*

Reconstructive programme of British Labour Party—“Good will without knowledge is warmth without light.”

- (a) Organized research.
- (b) The Church Forum.
- (c) Fraternal relations with Labour Organizations, sending delegates to Labour Conferences.
- (d) Social service commissions.

## CHAPTER II

### THE ETHICS OF THE KINGDOM

#### THE BASIS OF ITS ETHICS.

##### 1. *Christianity is Three-dimensional.*

IT is essentially supernatural. It is based on the two Commandments with their threefold reference, "Thou shalt love the Lord thy God with all thy heart and all thy mind, with all thy soul and with all thy strength : and thou shalt love thy neighbour as thyself." It is life in three dimensions—God, neighbour, self ; time, space and eternity ; the King, the Kingdom and the citizen. This is in striking contrast with naturalism, which is always two-dimensional—Time and space, self and neighbour, Capital and Labour, birth and death, life confined between the cradle and the grave. This life in terms of a naturalism which eliminates the divine is not true human life as it is known to us in experience. It is sub-human. It is a mere scientific abstraction, quite legitimate, nay essential, for the purposes of study. The disaster is when the truth of this scientific abstraction is mistaken for the truth of the Whole. The Classical Political Economists made an abstraction of man as a money-making animal and created a soulless beast, the Economic Man. The naturalistic history of the world begins in gas and ends in gas ; for it all life is but a cry of pain which breaks an eternity of senseless silence. Mr. Wells does not begin at the beginning in his *History of the World*. The man who seeks his origin in incandescent gas is like the "forced" chicken

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which addressed the incubator as "Mother darling." Feeling is antecedent to Thought, and the life of man begins in the heart of God. "In the beginning was the Word." So we find that there are two ways of organizing the life of man. The first is the Kingdom of God, which is three-dimensional, in which both the individual and the corporate life is referred to God, and draws from Him its authority and limitations. The second is the Kingdom of the Beast, as it is called in the Revelation of S. John, or the "World" in its bad sense, as it is called in S. John's Epistles, the "World" meaning society as it organizes itself apart from God, a scheme which is two-dimensional, concerned only with man and his neighbour in time and space. The foundation of the first is spiritual and eternal, the love of God enthroned on Righteousness, Justice, Faith and Freedom, and issuing in a Divine and Human Fellowship, the Fellowship of the Holy Spirit. The foundation of the second is material and secular. It deals with man's life on earth in a closed, mechanical, determined universe from which the supernatural has been carefully excluded.

### *2. The Ethical Test.*

Of the three aspects of religion, the Institutional, the Ethical and the Mystical, which correspond to man's body, soul and spirit, our Lord insists that the Ethical is the test of His Kingdom. God is enthroned in the Mystical sphere, where He dwells in light unapproachable. But the foundations of His Kingdom in the hearts of men are Ethical. Clouds and darkness are round about Him, Righteousness and Judgment are the foundation of His Throne (Psa. xcvi. 2). The test of the Kingdom which will keep it true to God's purpose

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is social ; for the Kingdom is a Divine and Human Fellowship of God and Man.

This emphasis on the Will, this ethical test, is manifest in all the teaching of our Lord. Judgment is to be by Fruits, not by faith or orthodoxy, which are means to an end. "By their fruits ye shall know them" (S. Matt. vii. 16). The tree that bears no fruit shall be cut down (S. Luke xiii. 6). The branch that bears no fruit shall be taken away (S. John xv. 2). Servants who neglect the Lord's vineyard shall be dismissed. God is the only owner. Man is His steward. The rulers of the Jews, the Scribes and Pharisees had failed to produce the fruits of Righteousness and Justice. God sent His servants, the Prophets and His Son, "to receive the fruits"—and they slew them. "Therefore I say unto you : The Kingdom of God shall be taken away from you, and shall be given to a nation bringing forth the fruits thereof. And when the chief priests and Pharisees heard His parable, they perceived that He spake of them" (S. Matt. xxi. 45). God entrusts the preaching of the Gospel of the Kingdom to the Church, that she should bring forth fruits of righteousness. If that condition is unfulfilled, God will not tie Himself to any institution, even the most sacred of His own election. There is only one test of what a man really believes, not what he professes to believe, but that belief which is his dominant motive—the one which really moves him, whether it be love of self, love of money, or love of God. So judgment must be by will and deed. When the Father said to His son, "Son, go work to-day in the vineyard," and he answered and said, "I will not," but afterwards he repented and went, he was accepted, and not the son who said, "I go, sir," and went not. "Verily I say unto you, that the publicans and harlots

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go into the Kingdom of God before you. For John came unto you in the way of Righteousness, and ye believed him not ; but the publicans and harlots believed him " (S. Matt. xxi. 28-32). (The Greek word for " belief " here has no theological, but only an ethical, content.)

This practical test of doing the will of God constitutes the most intimate and living relationship and communion with God. " My Mother and my brethren are those which hear the Word of God and do it " (S. Luke viii. 19 ; xi. 27). Not intellectual acumen or theological skill are needed, but ethical affinity, conformity to God's will, to be able to discern the truth. " If any man willet to do His will he shall know of the teaching, whether it be of God or whether I speak from myself." Communion with our Lord is not by any means confined to meeting Him in that mystic rite when He bestows upon us His most holy Body and His most precious Blood. Many who thus receive Him He will reject. " We did eat and drink in Thy Presence, and Thou didst teach in our streets," and the Lord will say, " I tell you, I know not whence ye are ; depart from Me, all ye workers of iniquity. There shall be weeping and gnashing of teeth, when ye shall see Abraham, Isaac and Jacob and all the Prophets in the Kingdom of God, and yourselves cast forth without. And they shall come from the east and from the west, and from the north and south, and sit down in the Kingdom of God. And behold, there are last which shall be first, and there are first which shall be last " (S. Luke xiii. 25).

Social service, not merely sacramental worship, is the closest communion with our Lord. " Whosoever shall receive this little child in My name receiveth Me : and whosoever shall receive Me receiveth Him that sent Me " (S. Luke ix. 48).

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Mr. Spurgeon, in preaching on Elijah's challenge, "The God that answereth by fire let Him be God," rightly translated it into modern terms when he said : "The God that answereth with orphanages let Him be God."

The glad welcomer of the messenger of God receives Christ Himself. "He that receiveth you receiveth Me, and he that receiveth Me receiveth Him that sent Me" (S. Matt. x. 10).

In the parable of the Good Samaritan (S. Luke x. 27) our Lord brings into direct and deliberate contrast to the unethical sacerdotalism of the priest and the rigid ceremonialism of the Levite the spirit of kindness and mercy in Social Service which was to be the spirit of His Kingdom. Everywhere human values were to dominate ceremonial observance, as in the incident of the plucking of the ears of corn and healing the man with the withered hand on the Sabbath Day (S. Matt. xii. 1 and 9). "I desire mercy and not sacrifice. The Sabbath was made for man, and not man for the Sabbath : so that the Son of Man is Lord even of the Sabbath." This teaching of the social and ethical spirit of His Kingdom and test of its teaching is summed up in that magnificent parable of the sheep and goats, in which our Lord flings the arms of His compassion around all suffering Humanity, and by the Gospel of Identification makes their sorrow His own. "Then shall the King say unto them on His right hand, 'Come, ye blessed of My Father, inherit the Kingdom prepared for you from the foundation of the world : for I was an hungered, and ye gave Me meat : I was thirsty, and ye gave Me drink : I was a stranger, and ye took Me in ; naked, and ye clothed Me : I was sick, and ye visited Me : I was in prison, and ye came unto Me.' Then

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shall the righteous answer Him, saying, ' Lord, when saw we Thee an hungered, and fed Thee ? or athirst, and gave Thee drink ? And when saw we Thee a stranger, and took Thee in ? or naked, and clothed Thee ? And when saw we Thee sick, or in prison, and came unto Thee ? ' And the King shall answer and say unto them, ' Verily I say unto you, Inasmuch as ye did it unto one of these My Brethren, even these least, ye did it unto Me ' ' ' (S. Matt. xxv. 31).

It must not be inferred from the above that Religion is merely Ethics, and that theological science and sacramental worship and elaborate ceremonial are worthless. On the contrary, Ethics without Religion has no dynamic, no standard of values and no principle of adaptation, which is essential to survival in a fluctuating universe. Ethics without Dogmatic Theology may degenerate into a series of disconnected Puritanical stunts or crusades for particular virtues to be enforced by law, as it has to a great extent in America.

Ethics without Scientific or Speculative Theology has nothing to preserve it from deflection into error until it has lost its soul and says, " Evil, be thou my good." In studying Karl Marx on Economic and Historical Determinism one notes the Fallacy of the Single Motive in the interpretation of history. It would be equally easy and less fallacious to argue that the course of History and economic development were due to man's conception of God. Is it not true to say that Jewish vitality, Mohammedan stagnation and Christian progressiveness, are due to their theological beliefs, and that the ethics of Confucius and Buddha, divorced from Religion, largely account for the petrification of Chinese life ; and that most of the social evils which flourish in Christendom are due to some theological error in the conception of



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God? No. To discredit creed and dogma in the supposed interest of a social expression of Christianity is to cut oneself off from the source of life. For the whole Social Ethic of Christianity draws its strength and vitality from the revealed dogma of the Love of God, and the Creed which teaches us that "God so loved the world, that He gave His only begotten Son to the end that whosoever believeth on Him should not perish, but have eternal life" (S. John iii. 16). Religion, the duty to love God with all our heart and mind and soul and strength, is the fountain of life both for the individual and for society. But the test of the reality of that love for God is the social Ethic to love our neighbour as ourself. As S. John puts it, "Beloved, let us love one another: for love is of God; and everyone that loveth is begotten of God, and knoweth God. He that loveth not, knoweth not God; for God is love. Herein was the love of God manifested in us, that God hath sent His only begotten Son into the world, that we might live through Him. . . . Beloved, if God so loved us, we also ought to love one another. . . . If a man say, 'I love God,' and hateth his brother, he is a liar: for he that loveth not his brother whom he hath seen, cannot love God whom he hath not seen. And this commandment have we from Him, that he who loveth God love his brother also" (1 S. John iv. 7 to end). "But whoso hath the world's goods, and beholdeth his brother in need, and shutteth up his compassion from him, how doth the love of God abide in him?" (1 S. John iii. 17).

Is it not clear, then, that while the love of God is the spring of all life, the test of the reality of our response to His love is our relationship to our Brethren? There is no love of God but such as manifests itself in the

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love of men. Social ethics is not the source of Religion, but the test of its genuineness and reality.

### 3. *The Expansion of the Kingdom Idea.*

The transition by which our Lord expanded the Jewish narrow, national, legal and ceremonial conception of the Kingdom of God into the all-embracing Catholic Church is well described by Rauschenbusch in *Christianizing the Social Order* (pp. 58-68) thus—

- (i) He committed Himself to death and His cause to apparent failure rather than let the red devil of bloodshed loose (S. Matt. xxvi. 52).
- (ii) He obliterated the narrow boundary of nationalism.
- (iii) He gave it a democratic form of service, not Lordship (S. Matt. xx. 20-28).
- (iv) He liberated it from Legalism (S. Matt. xi. 16 ; v. 17 ; S. Luke iv. 16 ; S. Matt. xi. 2-6).
- (v) He made it the Supreme End of Man. "Seek ye first the Kingdom of God" (S. Matt. vi. 19-34).
- (vi) He emphasized present duty and not future Utopias.
- (vii) He saw it present, germinating in their hearts.

### 4. *The Need of a Christian Ethic for Public Life* (W. Rauschenbusch, *Christianizing the Social Order*).

Page 100.—The conception of this Kingdom of God will also demand the development of a Christian Ethic for public life. We have none now. Our religion in the past was a religion of private salvation ; consequently it developed an effective private morality. It had no ideal of salvation for the organic life of society ; consequently it developed no adequate public morality.

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The conclusive proof of this assertion is the fact that the Christian Church during the nineteenth century allowed a huge system of mammonistic exploitation to grow up which was destructive of human decency, integrity and brotherhood, and the Church did not realize its essential immorality until its havoc had become a world-wide scandal which even the most blunted conscience could comprehend.

Page 101.—When we accept the faith of this Kingdom we take the same attitude toward our own social order which missionaries take towards the social life of heathendom. Instead of feeling under obligation to defend things as they are, Christian men would be under religious constraint to be the most exacting judges of the present conditions.

### THE UNITED STATES OF AMERICA.

(Note on allusions to them in the following pages.)

It has been my privilege to spend much time in the United States lecturing at the General Theological Seminary, New York, and travelling over the East and Middle West ; I know little of the South and nothing of the Far West. During my preaching tours I have visited about thirty cities, have the privilege of friendship with many leading Christian ministers, have lectured to one thousand clergy, and have addressed many groups of business men. I have given close and sympathetic attention to their various institutions, schools, courts of law, the Stock Exchange in New York and "the Pit" (Wheat Exchange) in Chicago. But while I hope that I have attained a sympathetic understanding of some of their difficulties, I have not yet been able to devote the necessary time to a thorough study of

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these fascinating and bewildering problems. Therefore in the following pages I have carefully abstained from passing judgment on American affairs, and have only alluded to them by way of illustration, or in matters in which, in my opinion, we Englishmen may learn from them. I believe that the world would benefit immensely by the correlation of experience and the co-operation in effort of all the English-speaking nations in the world, and hope that by combining such facts as have come within my experience or my study on both sides of the Atlantic I may do something to stimulate a more thorough and exhaustive study.

It may be well to enumerate the questions round which one's mind is constantly brooding when in America, and to record a few observations. For there is a tendency in certain circles in England to look to America for the solution of our own economic problems, and I am sure that this expectation is doomed to disappointment. So I append these notes—

1. There is no parallel at all between England and America, as economic units. The real comparison is between America and Europe, or America and the British Empire.
2. England is a small island trying to maintain Free Trade in competition with a world of nations who live behind Tariff barriers. America is a fascinating example of a vast continent encircled by Tariff walls, and enjoying Free Trade with its natural flow of products among forty-eight States in a land of boundless natural resources. These are differentiated from the similar group in Europe, because the United States are knit together by common Political Ideas and Institutions, a common

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language, and a harmonizing central government ; while Europe is a Tower of Babel which, since the shattering of the unity of Christendom at the Reformation, has no principle of unity and no common language in which to exchange ideas.

3. America approaches her economic problems unhampered by the corpse of Feudalism and unembarrassed by the errors of a thousand years of History, which hinder us. E.g. with us the iniquitous private ownership of Royalties on coal are due to an error made by the judges in A.D. 1568 in the case of the Queen *v.* the Duke of Northumberland (*Report of Royal Commission on the Coal Industry*, 1926, vol. i, pp. 74, 233).
4. While Americans are in my judgment the best salesmen in the world, I doubt whether they are the best men of business. The enormous development of advertising, with its vast expenditure, lays more stress on selling than on producing, and one wonders whether quantitative production does not injure qualitative production in the long run. That which brings most immediate profit to the individual firm may not be best for the commonwealth ; and when more is spent on selling an article than on producing it there seems to be a loss of proportion. Is there not, too, a real economic peril in this—that the Mass Hypnotism of Advertising bases commerce on an artificial basis instead of a natural basis of the wants of man ?
5. From what I have seen of the nation, Americans are commercially far more alert and adaptable in their business methods than our stolidly conservative business men. The whole nation is organized

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for commerce with the giant mind of Mr. Hoover as its guide and director, and its Consuls are its missionaries.

6. The labour conditions are entirely different from ours. The Trade Unions are not so fully developed as ours ; and under Samuel Gompers adopted a policy different from ours in bargaining with the established political parties and casting the labour vote for whichever party promised the most favourable labour legislation. The American labour market differs from ours in having to assimilate men from many European nations which have no tradition of self-government, and many of whom cannot in the first generation read or write or speak the English language (see *Employees' Representation in Coal Mines*, B. M. Selekman and Mary Van Kleeck, p. 27).
7. The problems in politics and economics which confront America are very formidable—the negro and other racial questions, their turbulent neighbour Mexico, the desirability of entirely separating the administration of justice with all its institutions from any dependence on political parties, the question as to what are the limits of legislative action on personal morality, the great question of the communal control of National and International Credit which at present is in private hands, the desirability of preserving Public Utilities from falling into the hands of powerful profit-making Companies (or Corporations as they are called in America), the exact relationship of Federal and State Jurisdiction which occasionally becomes strained, above all the stability of home and family life which necessitates the abolition of re-marriage

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after divorce, and a thousand other problems such as these.

But though her problems are bewildering, I believe that America will have the grace and wisdom to solve them as they arise. The American character is an unresolved complex of a ruthless realism and a high idealism. The grand Principles proclaimed in the Declaration of Independence inspire and embarrass her with lofty Ideals which she is not good enough fully to realize, nor bad enough wholly to abandon.

But the future is full of hope for America. The nation-wide enthusiasm for education has accomplished what History will recognize as a real miracle, the blending of Immigrants from scores of different nations into one nation in two or three generations. The teaching of civics in every school is rapidly forming a constitutional mind and tradition. Their excessive belief in the ballot-box and in legislation (the *New York Times* said that in 1924 13,500 laws were made) seems to me a weakness. But they certainly manage to elect men of great capacity and high character to the Presidency. To English eyes she has been more successful in realizing equality than liberty. This equality of status and freedom from the caste mentality which a decayed Feudalism imposes on us leads America to treat poor persons with far greater kindness and courtesy than in England. They are frankly amazed and disgusted at the way in which some officials and some magistrates and other persons speak of and to the poor. I fully share this feeling, and endorse this condemnation. But perhaps the quality which most endears this great nation to me is the universal kindness of the people as a whole. The splendid unselfish hospitality with which they

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welcome guests, and the kindness of the nation, have found a fine national expression in those magnificent gestures of good will which led them to the relief of the famine districts of Europe after the War, and of Japan when an awful earthquake plunged her into ruin.

The deepest conviction of my heart and mind is that Life has one motive and History one meaning : it is that God is educating the Nations to live together as a family of sons beneath the Fatherhood of God. The course of this education is that each primitive instinct is gradually educated from a mere earthly, sensual and selfish expression into a heavenly, spiritual and altruistic righteous will. There is much that is selfish, sordid and bestial in the industry and commerce of America to-day. But gradually it may be purified of these, and in the process a class of man is being educated to think in terms of which the unit is a million, and whose horizon is the whole race of men. True, they begin by desiring to exploit all mankind ; but I believe that under the education of the Holy Spirit they will end in desiring to benefit all men. It has happened with other instincts. We may trace the process by which God took the primitive instinct of reproduction : we may trace its evolution from the mutual attraction of chemicals, through the courtship of an amœba and the flirtations of a Bronkosaurus to its glorious consummation in a Christian marriage and a Christian home. God has taken a primitive instinct, and by the guidance of its development and the pressure of environment and the discipline of necessity He has cleansed, purified and exalted it, until what was once the lust of a beast has become the passion of a god. So He may be educating the acquisitive instinct through many a bestial phase, through experiments in selfishness and greed, through



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tentative efforts at co-operation, through guilds and companies and rings and trusts, through the blood of many a war, through the still more cruel bloodless warfare of unrestrained competition, by the method of trial and error, through endless failures and varied experiments in co-partnership, until right and reason triumph and the Nations of the World unite in a Co-operative Commonwealth of Mankind beneath the Fatherhood of God, and the way will have been prepared for the coming of His Kingdom on earth as it is in Heaven. When the Nations have abolished War and agreed to ration the raw material of the world and to organize industry on an international basis—"from each according to his ability, to each according to his need"—then we shall understand more fully the Way in which God overrules even evil things to the fulfilment of His Will. I feel sure that He has a purpose for these large-scale, million-minded business men in America and elsewhere. In fact, it is difficult to see how the economic federation of the world could take place without the training for several generations of men who habitually think in units of millions instead of tens.

To illustrate this point I may quote the statistics of the Metropolitan Life Insurance Company (President, Haley Fiske), which Mr. Hoover describes as "the greatest single institution dedicated to public welfare in America."

It was mutualized in A.D. 1915. The number of lives insured is 22,000,000. Its assets in 1926 were \$2,000,000,000 (two thousand million dollars). From 1909 to 1925 it expended \$49,000,000 in welfare work. Thirteen and a half thousand millions of insurances are in force.

These outline notes on some of the things I admire

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and love and fear and hope for America may be summed up in an incident which illustrates how American alertness and large-scale thinking can be of service to their kindness of heart, and help them to fulfil their vocation in the coming of God's Kingdom. I read it in the *Life and Letters of Walter Page*, the American Ambassador who was so much loved in England. Mr. Page sent for Mr. Hoover, who was at that time in London, to come to the Embassy, and said to him on his arrival, "Look here, Hoover, we must act for the relief of the famine district in Belgium, and you are the man to do it." Hoover looked at the clock, and said to Page, "May I use your telephone for a minute?" and immediately left the room. On his return Page asked him why he had shot off so abruptly, and Hoover answered, "I saw from your clock that, allowing for the difference of time between London and New York, I could just place an order before the Wheat Exchange closed. So I bought several millions of bushels of wheat; for the Belgians, of course."

## CHAPTER III

### MATERIALISTIC ECONOMICS

#### I. DEFINITIONS OF ECONOMICS.

PROFESSOR MARSHALL defines Economics thus (*Principles of Economics*, p. 1) : " Political Economy or Economics is a study of Mankind in the ordinary business of life ; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of well-being. Thus it is on the one side a study of wealth, and on the other, and more important, side a part of the study of man."

Professor Gide (*Principles of Political Economy*, pub. D. C. Heath & Co., Boston, U.S.A., 1904, p. 2) says : " To do our duty, to exercise our rights, to satisfy our wants, are three quite different aims of human activity ; and only the last of these is the proper subject of Economic Science. We may say, therefore, that political economy has to do with the relations of man living in society, so far as these relations tend to satisfy the wants of life and concern the efforts made to provide for all that is generally understood by material welfare." He adds : " Formerly it was the custom to say (and it is often said to-day) that political economy is the science of wealth. But this definition has the disadvantage of turning attention away from the real subject of economics, which is man and his wants, and concentrating it on exterior objects which are only means for the satisfaction of human wants. This is not a mere question of words,

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for the erroneous point of view has exposed many economists to the justifiable reproach of reasoning as though man were made for wealth and not wealth for man." Both the definitions of Marshall and Gide emphasize the human element in economics, which at one time was somewhat overlooked. It may be useful to distinguish between (i) *pure political economics*, or abstract economics, which is the study of the necessary relations which result from the nature of things, and (ii) *social economics*, the study of "the voluntary relations which men have established among themselves in the form of social organization, written laws, customs or other institutions having for their object the improvement of social conditions" (Gide, *Principles of Political Economy*, p. 3). So in the science of Political Economy we can recognize, and must not disregard or confuse, two elements: first, the element of necessity, which is found in the constitution of the Universe, with regard to which we may speak of "Iron laws as immutable as the law of gravitation"; secondly, an element of contingency, of freedom or self-determination, which makes man a master of his destiny. To illustrate the first, while it is true to say that man does not live by bread alone, it is equally true to say that he does not live at all without it. This lies in the constitution of the Universe, and not in the will of man. Or again, it is true to say that man does not act without sufficient motive. By ignoring this truth and neglecting the psychological constitution of man's nature in dealing with agriculture, Lenin brought Russia to the verge of starvation. But to illustrate the second it is childish to talk about "the iron law of wages," when the institution, regulation or abolition of the whole "wages system" is absolutely dependent on man's intelligence and will.

# THE ECONOMICS OF THE KINGDOM OF GOD

## II. MATERIALIST ECONOMICS.

By this is meant the belief "that economic conditions are to be left to the action of material causes and mechanical laws," a belief which the Lambeth Conference of Bishops in 1897 say "Christian opinion ought to condemn."

Inheriting the belief from the Physiocrats, Adam Smith gave it scientific expression, and from his time onward until the last quarter of the nineteenth century it dominated economic thought.

It may be expressed in three statements—

1. That for Economics "man is a money-making animal," an abstraction which has produced that Frankenstein monster, the inhuman "Economic man."
2. That the maximum of public welfare can best be attained by giving free play to individual cupidity.
3. That the only function of government is *laissez-faire*—to leave things alone in industry, trade and commerce. "The general rule is that nothing ought to be done or attempted by government" (Bentham).

These may be conveniently summed up in the motto of Individualism, "Unrestrained Competition," and these two words are the basis upon which what is generally called the Capitalist System has been built. This doctrine of *laissez-faire* was immensely reinforced at a later date by Darwin's teaching on Natural Selection. As Mr. J. M. Keynes says in his brilliant essay, *The End of Laissez-faire*, p. 31: "The parallelism between economic *laissez-faire* and Darwinism . . . is very close indeed. Just as Darwin invoked sexual love acting

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through sexual selection, as an adjutant to Natural Selection by competition, to direct evolution along lines which should be desirable as well as effective, so the individualist invokes the love of money, acting through the pursuit of profit, as an adjutant to Natural Selection to bring about the production on the greatest possible scale of what is most strongly desired as measured by exchange value." So for the last one hundred and fifty years industry developed under the stimulus of a doctrine which treated man merely as a money-making animal, and made self-interest the only motive and unrestrained competition its only method. This is what is meant by a materialistic or a naturalistic economic, or what is commonly called Capitalism. The Chain of Capitalist reasoning may be thus described (see *The Decay of Capitalist Civilization*, Sidney Webb, p. 68).

1. The happiness of the community depends on its wealth.
2. The wealth of the nation depends on maintaining and increasing its annual product.
3. The best way of doing this is by letting each citizen make himself as rich as he can in his own way.
4. The quickest way to personal riches is profit-making in a free market.

Hence profit-making by individual capitalists is the best way of securing the welfare and happiness of the nation.

Let us examine it by its fruits.

### III. THE GAINS OF CAPITALISM.

In each one of the principles which have been described there is, of course, an element of truth. The instinct

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of self-interest never can be, and never should be, entirely eliminated from human motive. It is a part of the motive of the saint as well as of the sinner. Without it there would be no progress and could be no perfection. Our Lord based the ethic of the Kingdom of God on this very primitive instinct of self-love when He commanded us to love our neighbour as we love *ourselves*. He blessed it and He sublimated it, teaching us that self-love could only realize itself by self-sacrifice. So also with Freedom of Trade. Freedom is of the very being of God. So we may expect some good to have resulted from the element of truth which is to be found in these basic principles of Capitalism. Its gains have been well summarized by Rauschenbusch (*Christianizing the Social Order*, p. 285)—

1. "Its compulsion has overcome the primitive laziness and intermittent working habits of undeveloped men, and forced their latent resources of physical and mental energy into use.
2. It has taught society the laws and habits of association on a large scale.  
Association is the result of ethical cohesion, and it is the creator of loyalties and human affections.
3. It evokes in leaders of commerce many of the moral qualities we admire in generals and kings. It begets the daring adventuresomeness which the old pioneers and explorers had.
4. It demands a wonderful concentration of will and intellect, a perpetual forward reach of the mind."

Having recognized those points in which Capitalism has stimulated effort and educated management, we must now turn to the grievous losses of the system.

## MATERIALISTIC ECONOMICS

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### IV. THE EVILS OF CAPITALISM.

The condemnation of Capitalism is to be found not only in the evil fruits it bears, but also in the basic principles on which it is founded, which cannot fail to work ultimate ruin—in fact, Capitalism contains within itself the seeds of its own destruction, which is imminent.

#### 1. *Its Basis is Selfishness.*

It teaches that “self-love and self-interest is the only quality of man on which you can rely.” “Nature provides for the Public Good by implanting the instinct of private gain.” “The maximum of Public Welfare can only be attained by giving full play to individual cupidities.” This at once exalts and inflames the worst passions in man’s heart, treats each person as a single, solitary, isolated individual, and reduces human society to the level of a pack of wolves united only by self-interest and greed: wolves, but wolves with human brains. Here it may be well to explain that in examining social systems it is the system which we condemn or approve, and not necessarily those who at the time administer it. Under any form of government or political or economic system there are good and bad men on either side—the good men trying to sanctify a bad system, and the bad men trying to corrupt a good system. So that no personal animus need ever enter into the matter. Under Capitalism, or Production for private profit, many wealthy men have realized their stewardship in a most noble way, and both in England and America there are conspicuous examples of Paternalism in business, where the successful business man, after reserving a comfortable provision for himself and family, conducts his business on the highest lines of Paternal benevolence, much in the spirit of a good



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Feudal Lord, lives and works for the greater happiness of his employees and their families—in fact, gives them everything except the one thing needful: freedom to direct and govern their own lives. I believe that Paternalism has a real function to perform in social and economic development, just as Imperialism has in international affairs. In each case God's purpose is that a young brother or backward race shall be educated by the governing hand into freedom. The Government in either case provides for a righteous and just administration, secures peace, and concentrates on education, which gradually enables men to acquire those virtues without which freedom is impossible. For freedom is not a label which you can stick on to a person and make him free. It is an attribute of God which He desires to see in man. For man is made in God's image in order that he may grow into His likeness; and the chief point in that likeness with which industry is concerned is Freedom, self-control, self-determination, self-government. Thus every stage of social, political and economic development—the Patriarchal, the Feudal, the Individual and the Social—has had this divine commission to educate man into freedom. As long as it performs this function it fulfils God's purpose. As soon as it fails or refuses to perform it, it must pass away.

Our criticism of Capitalism or production for private profit is that its basic principle is wrong, that it is not in harmony with man's nature, which is social, nor with that Fellowship which is God's purpose for mankind.

Up to the Reformation, and indeed for two centuries beyond it with diminishing force, industry was looked upon as a communal function for a social end. With the shattering of the unity of Christendom at the Reformation, and the exaggerated emphasis on the

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individual, the disintegrating process began ; and this exaggerated individualism, the atomic conception of personality, found economic expression in the doctrines of private enterprise, private profit, unrestrained competition and *laissez-faire*. " A man can do what he likes with his own." This whole system, based on Selfishness, has been condemned by the *Archbishops' Report on Christianity and Industrial Problems*, 1918, and the marvel is that Christians still support a system which in its basic principles is a defiance of their faith and in its results is anti-Christian.

" But whatever spectacular achievements it may have to its credit, the spirit which would divorce economic activity from religious considerations is distinctly and peculiarly unchristian. *It is unchristian not only in its failures, but even more in its successes.* . . . Divorced from spiritual standards, industry is only too likely to degenerate into a struggle to escape poverty or to obtain riches, in which some of the finer qualities of human nature, kindness, and the love of beauty, and the temper of disinterested service may be crushed by a single overmastering motive " (p. 11).

" It can hardly be doubted, indeed, that the common assumption that the attainment of riches is one of the main ends of man, and that the criterion of social organization is its power to facilitate the pursuit of them, *is not so much unchristian as anti-Christian* ; for it leads, when accepted, to the subordination of the religion of the spirit to a religion of gain " (p. 13).

### 2. *Its Method is Warfare.*

Unrestrained competition for private profit regardless of the common wealth. We must insist carefully that what we condemn is not competition as such, but

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*unrestrained* competition. Without competition you could not have a football match, because there would be no one to play against. With unrestrained competition some football matches might end in a funeral; for it is generally easier to kill an opponent than to defeat him. Football is an example of the restrained competition of emulation, restrained by conventions, rules, a referee and public opinion. The Competition of Emulation is essential as a stimulant to effort, as a sustainer of quality and as an aid to perfection. Under Socialism, when it succeeds Capitalism, room will have to be made for the competition of Emulation, either by competing Guilds, under Government conditions, or by allowing free groups to compete with Government factories as we do at present with armament firms and shipbuilding. But unrestrained competition for private profit attempts to organize social life on the principle of warfare, "the struggle for existence and the survival of the fittest"—two laws of evolution which a materialistic economic has tried to apply to human intercourse, and which have entirely broken down since we discovered that the fittest did not survive. In the World War eight and a half millions of the fittest were slaughtered or died, while the most mean and sordid specimens of the human race, the war profiteers, survived, and several of them in England purchased titles with their blood-money.

It is useless to talk of a war to end war, it is hopeless to speak of peace and good will; as long as our economic life is based on unrestrained competition for private gain war is absolutely inevitable. For unrestrained competition for private gain pits man against man, shop against shop, company against company, trust against trust, nation against nation, groups of nations against other groups, until the cold, cruel, bloodless war of

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unrestrained competition makes it impossible for nations to live together, and they send for the soldier and sailor to make peace. Since the dawn of Capitalism the real cause of war has invariably been economic ; and war is inevitable unless we have the sense, as the Socialist pleads, to change our economic system from unrestrained competition for private gain to world-wide co-operation for the good of all. To many of us it seems reasonable to believe that Capitalism committed suicide on the field of battle in the World War, when 8,538,315 men were slaughtered, 21,219,452 men were wounded, out of the 65,038,810 men mobilized (*The World Almanac*, 1926, p. 252), when Britain spent £7,000,000,000 (*Whitaker's Almanack*, 1926) in mutual destruction. How can Christians support a system whose glittering material wealth corrupts and kills out spiritual values, and its boasted riches are doomed to be poured out periodically in rivers of blood and tears, which dye the world red in the inevitable consequences of our economic sin ?

But some will say : " Why denounce unrestrained competition when it has already been abandoned because of its appalling waste of wealth and its place taken by Trusts and Combines ? " We denounce it because this change simply means that the unit of warfare is larger : the spirit remains the same. The bloodless war of competition used to be between shop and shop. The war for which men are now preparing will be between vast international Trusts and Combines. But let us trace this bloodless warfare step by step.

Unrestrained Competition for private profit pits—

### (i) *Man against Man.*

When each mill and factory was independent it paid the employer to have around him a surplus

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margin of unemployed labour which (i) kept wages down to just above starvation point ; (ii) enabled the employer to expand or contract the labour-power he used as orders came in and as " booms " and " slumps " alternated. Casual labour at the Docks is thus described in the *Archbishops' Report*, p. 80, footnote—

" The following description of engagement at one large wharf in London and the figures of men taken on give a practical illustration of the system : ' There is a good deal of pushing and struggling at the calls here, the men rushing across the road and lining up on the other side directly the foreman appears. He walks up and down the line, inspecting the men exactly as if they were cattle, and as they are passed over they run along to take up a position farther on to get another chance.' "

Time and Place,	Number of Men Waiting.	Number Taken On.	Not Taken On.
<i>Date : December 13, 1913.</i>			
10 a.m., Lower Thames Street	200	60	140
10 a.m., Lower Thames Street	150	45	105
10 a.m., Lower Thames Street	150	40	110
10 a.m., Lower Thames Street	50	16	34
<i>Date : December 20, 1913.</i>			
7 a.m., Lower Thames Street	80	56	24
8 a.m., High Street, Wapping	200	70	130
10 a.m., High Street, Wapping	60	30	30

Since this date many admirable efforts have been made to organize casual and seasonal labour on a rational and human basis. Everyone engaged in

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seasonal occupations (painting, building, etc.) should have some land to cultivate or a supplementary trade to work at.

### (ii) *Shop against Shop.*

As long as this is the healthy competition of emulation it has economic merits. But under unrestrained competition it is warfare with the purpose of killing out one's opponent by destroying his business. Let me illustrate this. For generations a boot shop kept by Mr. Smith and his ancestors before him in a country town has satisfied the needs of the people and provided a living for the shopkeeper and wife and children. But one day, just opposite his shop, another boot shop is opened by Mr. Brown. He is the agent of a large London firm. His offer to buy Mr. Smith's business is refused. He then proceeds to undersell Smith's business at any cost. His firm is willing to spend any money to ruin Smith and drive him off. He sells the same article at half cost price. Smith cannot compete with this, and in six months he is ruined and finds himself and wife and children on the street. He says : " I attend the same church as Brown. But it is difficult to love him when I know that he is bent upon my ruin."

### (iii) *How Trusts Work.*

Here is the story of an American manufacturer. A Trust was formed in his line of business, and his was the last independent factory. He loved it as the old home where his family had lived and worked for four generations. One day a man called on him and said, " I have come to buy your business,

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and am willing to give a most generous price for it." My friend answered, "But I wouldn't dream of selling. It is not merely the business on which I have spent my life; it is my home and the home of my ancestors." The agent of the Trust answered, "We won't discuss that. You must sell, whether you want to or not; the only question is as to the price." My friend showed him to the door. And he left, saying, "I offer you 200,000 dollars to-day, which is twice the market value of your plant and goodwill. I will come back in two weeks and make the same offer again. But if you don't accept it then the next offer will be much smaller." My friend did not have long to wait. In a day or two a notice came from the insurance company saying that they could no longer insure the factory. The next day a letter arrived from the railway company saying that urgent claims made it impossible for them to run any more goods trains on the short line siding which served his factory; and so on until, as he expressed it, "In a week they had chewed me up and spat me out, and I had to sell, and they gave me a most generous price. They weren't mean about it." That made the Trust watertight, and as soon as that is accomplished quality is maintained and the price lowered for a year or two, so that the public may say how much better business is managed under a Trust. Then gradually the quality is lowered, here a little, there a little, the cost of production reduced, the price raised, and countless millions flow into the pockets of the man who is sufficiently ruthless to win in this sordid warfare. In America great efforts to break the power of these Trusts and Combines have

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been made, beginning with the Sherman Law of July 2, 1890. A 2,000,000,000 dollars Bread Merger was broken up while I was there. A heading in the *New York Times*, February 9, 1926, runs: "Suit is filed to halt Baking Merger; Government alleges Ward and others conspire to control Nation's Bread." But I was told that the attempt to repress them by legislation had failed, and that the only way was to fight them with another trust. The way in which these vast combines are interlocked and centred in the banks will be illustrated in a later chapter. While I cherish the belief that they may be a step in educating man for the large-scale operations of a world-wide Co-operative Commonwealth, as long as they are conducted for the private profit of individuals and without moral control, they are the chief instrument for exploiting backward races, and unless they are controlled they will inevitably plunge the nations again into a world-wide war. For war is the inevitable consequence of unrestrained competition for private gain; and the sordid nature of this system cannot better be expressed than in one sentence of Lord Birkenhead in his Rectorial Address to the students of Glasgow University, when he said that "the world continues to offer glittering prizes to those who have stout hearts and sharp swords."

### 3. *Its Result is Waste.*

We have seen that Capitalism, which is unrestrained Competition for private profit, is based on Selfishness, and that its method is war from the cradle to the grave. We must now see the appalling waste which this evil system involves.



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## (i) *Waste of Man-power.*

(i) *In War.*—We have seen that during the War over 65,000,000 men were withdrawn for at least three years from productive work. Over 8,500,000 of them, the healthiest and best of workers, were slaughtered, and all that had been spent on their education was lost to industry. Surely a system which can thus squander its true wealth stands utterly condemned.

(ii) *In Active Armies and Navies of the World.*—Fifty-four million young men are withdrawn from productive employment in the standing armies of the world.

(iii) *In Trade Disputes.*—During 1921-23, in England alone 10,642,000 days were lost as the result of trade disputes. What a squandering of energy on economic warfare!

(iv) *Unemployment.*—In Great Britain alone before the coal lock-out there was an army of over a million workers unemployed. This figure is much below the annual waste in unemployment which has been a permanent feature since the war.

	June 3, 1921.	Oct. 15, 1921.	Sept. 22, 1924.	Sept. 28, 1925.
Men ..	1,682,449	959,190	887,866	1,068,948
Boys ..	102,116	43,557	38,184	40,358
Women	695,952	253,480	220,034	195,867
Girls ..	99,912	40,555	34,206	30,982
Total ..	2,580,429	1,296,782	1,180,290	1,336,155

(*Whitaker's Almanack*, 1926, p. 482.)

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During the years 1921-23 the loss of working days from industrial disputes amounted to 10,642,000. During the same years the loss of working days due to unemployment and short time working amounted to 919,000,000 (*The Waste of Capitalism*, being the Report of the Trade Union Commission of Enquiry into Production, September 1924). So that the total loss in man-power and industrial energy in three years came to 929,642,000 working days. If we add to this the losses of the war in "killed and died," 908,371 for Great Britain alone, and a percentage of those 3,190,235 casualties, many of whom are permanently disabled and many much reduced in productive power, it will confirm our conviction that Capitalism, or unrestricted competition for private gain, has broken down, and that a better system of organizing industry on a co-operative basis must be found.

In 1925 twenty-five million weeks' work (equal to twelve months' work of nearly half a million people), among the insured alone, were lost through sickness, largely due to pollution of the atmosphere by smoke (Sir G. Newman, quoted in *The Times*, September 4, 1926).

Sir Eric Geddes, in the House of Commons on March 7, 1919, said of the Railways—

"I know of cases—I will not say I have had nothing to do with them myself—where goods for northern markets were deliberately 'influenced' to a southern port in order to get the haulage over the railway; and goods for southern markets were deliberately 'influenced' to a northern port—things which were identical in quality and in everything else. That kind of thing is going on

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all over the country. That is waste of movement. Who pays for that? The community pays . . . the customer pays . . . and the transport workers pay because they do not get paid enough." Stop waste movement, and "the transport system will be healthy, which it cannot be to-day."

### ***4. Waste of Material.***

#### ***(i) British Coal.***

The tragedy of waste which is connected with the inefficient working of the coal industry for the private profit of individuals has been fully revealed. Again and again Commission after Commission has condemned the private ownership of the Nation's minerals. It rests upon what the Royal Commission, 1925, states to be an error, a mistaken judgment given in A.D. 1568. The decision of the judges in this so-called great case of Mines (*Queen v. Northumberland*) was in effect "that only the so-called royal mines (i.e. those of gold and silver) belonged to the Crown, and that all baser minerals belonged to the individual landowners. The Legislature not having intervened to establish or re-establish the right of the Crown as representing the nation, the decision of the Courts in the reign of Queen Elizabeth has been the undisputed law of the land from that day to this" (p. 74). "The reasons given in the various Reports for recommending the State acquisition of the minerals were also broadly the same, namely, that a private and divided ownership of minerals did in fact interfere with the most efficient exploitation of the coal resources . . . it would be simpler and more effective for the minerals to be

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acquired by the State once and for all " (p. 76, *Sankey Commission*, 1919). " We have carefully considered the evidence submitted to us and have come to the conclusion that the most effective method of dealing with the problem in the national interest would be for the State to acquire the ownership of the Coal " (*Royal Commission*, 1925). " We concur in the general conclusion that the system of private ownership of this natural resource is open to grave objection. . . . We cannot contemplate the continuance of the system of private ownership indefinitely into the future " (p. 77). " The error which was made in times past, in allowing the ownership of the coal to fall into private hands, should be retrieved. The mineral should be acquired by the State " (p. 233).

The Coal Conservation Committee estimate that " from 3,500,000,000 to 4,000,000,000 tons " are lost to the nation for ever in the coal left in barriers between various estates (p. 19). " The system of competition between many private colliery owners and exporters to obtain orders frequently prevents the industry getting the full value for the article " (*Sankey Commission*, 1919, p. 10).

On the casting back of small coal underground the Coal Conservation Committee report that in six areas alone " no less than 2,325,000 tons of coal per annum are lost in this way."

Sir Richard Redmayne, Chief Inspector of Mines, ex-colliery manager and director, in his evidence to the Sankey Commission, said: " In my opinion the present system of individual ownership of collieries is extravagant and wasteful."

The " Abatement of Smoke Commission," 1914,

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reporting in 1921, say that the burning of raw coal is a "serious danger to health and property," "a wasteful proceeding," "an annual and direct waste of £6,000,000." "We would observe that the 3,000,000 tons of soot which it is estimated by the Commission are discharged into the air annually are equal in weight to nearly three days' output of all the collieries of Great Britain. In effect, the work of over 1,000,000 men for three days every year is devoted to providing the soot which pollutes our atmosphere" (*Royal Commission*, 1925, p. 24). Another Report tells us that £100,000,000 a year could be saved if we used coal to generate electricity on a national scale.

In the three years 1922-24 "there were 3,697 fatal accidents in the mines of this country—an average of over three miners killed per day, while in the same three years 608,313 were so injured as to be off work for seven days or more" (*Coal under Capitalism*, by Tom Myers, p. 5).

Thus, in the face of the Report of three Commissions, which condemn in the strongest terms the private ownership of minerals as most extravagant and wasteful, and recommend their acquisition by the State, the Nation is obliged to look on helplessly while a combination of capitalists forbid politicians to take action, and incompetent employers squander our heritage in Coal.

The conditions of the Coal Industry in America are quite different from ours, but the following extract from the *New York Times*, February 7, 1926, will suggest that the Anthracite Coalowners are as stubborn and inefficient as our own.

Governor Pinchot.—"The Governor said that

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the Lehigh Coal Co. paid dividends totalling 377·5 per cent. in eight years = 47 per cent. per annum.

“Coxe Brothers & Co. in 1921 paid dividends of 83 per cent.

“Lehigh and Wilkes-Barre Co. paid, March 1, 1924, dividend 40 per cent. ; April 1, 1924, a stock dividend of 200 per cent.

“The Hillside Coal and Iron Co. paid 190 per cent. in 1922, and reports of dividend for 1925 had been, strangely, impossible to find. There is, to my knowledge, no other monopoly in America so defiant of public opinion, so scornful of public interest, so utterly unaffected by the progress of modern industrial thought as the anthracite monopoly.” The Governor concluded: “Its central idea is that the anthracite business is exclusively its own business.”

### (ii) *Waste in America.*

In an article in the *New Statesman*, July 24, 1926, a summary is given of a book by Stuart Chase called *The Tragedy of Waste* (Macmillan, 10s. 6d.). “It is believed that through seasonal variation and other causes the number of industrial workers idle at any given moment is about 1,750,000. In the building trades, employing about 2,500,000, over 600,000 men are always idle. Clothing workers are idle on the average 31 per cent. of the year, and workers in the shoe trade 35 per cent. of the year. Every year in the United States there are more than 25,000 fatal accidents in industry, and 700,000 accidents causing more than four weeks’

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disability. . . . The United States Treasury estimates that the American people spend—

\$2,000 million on motor-cars.  
5,000 million on luxurious food.  
1,000 million on candy.  
800 million on cigarettes.  
800 million on tobacco.  
750 million on perfumery and cosmetics.  
800 million on jewellery.  
50 million on chewing-gum  
50 million on fire-arms.  
15 million on works of art.  
800 million on drugs.”

President James, of the University of Illinois, says : “ There is no doubt that we have in many directions wasted our patrimony. In our haste to get rich we have overreached ourselves and undermined the very basis on which a permanent national industry must rest.” “ Prodigious waste has accompanied our use of the forest ” (Government Expert’s Report on the Conservation of Natural Resources). “ The percentage of coal left in the ground beyond recovery varied from 40 to 70 per cent. in the different fields, to say nothing of the wasteful and extravagant use of the portion extracted ; while the waste of natural gas, the most precious fuel of all, is so vast that no one can approximate the percentage. . . . The forces of greed and selfishness are so entrenched behind the corporate power and influence that to attack them may often appear to you useless as the labours of Sisyphus ; but as you love your State and Country I adjure you to take up this fight for the conservation of our fuel resources with the determination never to surrender until the forces of greed and avarice, which are so

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rapidly sapping the very foundations of our country's greatness, capitulate and agree to end the wild riot of destruction that has characterized the past" (No. 1425, *Proceedings of Conference of Governors on Conservation of Natural Resources*).

### 5. *Spiritual Waste.*

So far we have only sketched out the material waste of a materialist economic, with its method of unrestrained competition for private profit regardless of the common wealth. We must now briefly enumerate an outline of the spiritual waste. We have seen that 920,000 British lads were slaughtered in the War. Within my own circle of personal friends I can at once recall the names of fifty young men of lofty spirit and brilliant gifts—scientists, theologians, artists, noble characters—who would have enriched the world if their young lives had not been crushed out as a sacrifice to the Golden Image of Capitalism. And unless our method of organizing the industrial forces of the world is swiftly changed, within ten years another 50,000,000 of our youth will march to the slaughter-house in a far more awful war, when international financiers and the gigantic combines of oil and iron and steel in Europe and America quarrel over the exploitation of Asia. How vast the loss of all that they would have been to the world in spiritual power, in love and thought and will, in goodness, beauty and truth!

Capitalism in Britain alone keeps an army of a million and a half unemployed. It is fair to state that about 200,000 of these represent economically that margin of unemployment which is a permanent and unavoidable allowance for transfer of labour as needs and fashions and tastes change in the alteration of demand. But



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beyond this "margin of transference" from one mode of activity to another the energy of one million is wasted by production for private profit. We have noted the material loss. Who can estimate the spiritual loss? In one year of unemployment we destroy the best fruit of years of education. As a man calls at his labour exchange or drifts from place to place in search of employment, day by day his habits of industry perish, week by week the skill of his fingers is lost, month by month as he returns to his home and wife and children with the news of failure, hope sickens and dies within his heart. I have seen and heard the awful story of the perishing of hope from the lips of a skilful young stonemason, who left our village strong and healthy, and returned after two years so broken that I could scarcely recognize him, haggard, worn and hopeless, and still living his upright, sober life. I have listened in New York to a millionaire who described how, twenty years ago, he had wandered, starved and helpless, in the search for work about the streets of London, and described to us the dying of hope within his heart, and how now that he had made his pile he devoted all his time and wealth to promoting Labour measures in the Legislature of his State.

It is this destruction of spiritual values, hope and the energy which springs from hope, which is the most awful fruit of a materialistic economic.

Again, the extremes of degrading wealth and disabling poverty are destructive of spiritual values.

"To the hero on the ice-field or the saint in the desert the lack of adequate means of subsistence combined with the utmost hardship may be compatible with spiritual exaltation, individual development, and the continuous exercise of personal initiative and enter-

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prise. . . . But what modern industrialism destroyed, generation after generation, in those who succumbed to it, was the soul of the people. There is a moral miasma as deadly as the physical. Right down to our own day the dwellers in the slums of the great cities of Europe and America, actually in increasing numbers, find themselves embedded, whether they will it or not, in all the ugliness, the dirt and the disorder of the mean streets. Breathing from infancy up an atmosphere of morbid alcoholism and sexuality, furtive larceny and unashamed mendacity, though here and there a moral genius may survive, saddened but unscathed, the average man is mentally as well as physically poisoned. The destitution against which the socialist protests is thus a degradation of character, a spiritual demoralization, a destruction of human personality itself" (S. Webb, *The Decay of Capitalist Civilization*).

*Degrading Wealth.*—Not only do we suffer bitter spiritual loss by the disabling poverty of the many: the loss is even greater in the degrading wealth of the few and the poisonous influence of their example. The perishing of good taste, the growth of vulgar ostentation and of flaunting luxury is well described in the following quotation from the *Manchester Guardian*, November 28, 1922 :

"At the Labour Celebration of Victory in Cumberland at Workington, Mr. T. Gavan Duffy, describing his experiences at the opening of Parliament in the House of Lords, said the place was a flash of diamonds and brilliant colours, and one woman who was naked to the waist had a great diamond tiara, a wonderful necklace, and a strap of jewels about her body. He would guarantee she had not the brains to put them on. It was a lady's maid, the daughter of a working man, who

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put them on for her. He did not exaggerate when he said that the diamonds on that woman's half-naked body were worth at least sufficient to protect (provide for) all the unemployed for three months. It was the unemployed inside the House of Lords who made the unemployed crowd outside. One of the attendants met him wandering about and said: 'Do you work here, mate?' and was surprised to find him an M.P."

It is much to be desired that the King would forbid such disgusting displays at Courts and public ceremonies when so many of his subjects are suffering from the privations of poverty. They might be buried in a plain deal coffin, which would have served all useful purposes for the Prince de Braganza, instead of the £200,000 coffin which held his remains, and the balance of £199,999 should have been returned to the poor from whose labour it came.

"Princess de Braganza, widow of the late prince, who stood next to the ex-King Manuel in succession to the Portuguese throne, has sailed for Naples with the most costly coffin ever shipped from the United States, which will contain her husband's body in the Pantheon at Lisbon. . . . The coffin, which weighs half a ton, is made of bronze coated with silver. It bears a replica of the royal crown of Portugal and cost nearly £200,000" (*New York Sunday Express*, August 20, 1921).

*The Destruction of the Love of Beauty.*—After the killing of hope and energy by unemployment, the most serious effect of production for private profit may be seen in the killing out of the sense of beauty from the soul of the people. The rush for private gain has led to the ruthless destruction of beauty in many a district where, in spite of by-laws to the contrary, the rivers are polluted, the atmosphere poisoned, and the trees

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blighted, and health injured in the mad rush for wealth. Sir Rabindranath Tagore gives eloquent expression to this in an address to Japanese students as follows—

“ You had your own industry in Japan : how scrupulously honest and true it was you can see by its products, by their grace and strength, their conscientiousness in details where they can hardly be observed. But the tidal wave of falsehood has swept over your land from that part of the world where business is business, and honesty is followed merely as the best policy. Have you never felt shame when you see the trade advertisements not only plastering the whole town with lies and exaggerations, but invading the green fields where the peasants do their honest labour, and the hill-tops which greet the first pure light of the morning? . . .

“ This commercialism, with its barbarity of ugly decoration, is a terrible menace to humanity, because it is setting up the ideal of power over that of perfection. It is making the cult of self-seeking exult in its naked shamelessness. Its movements are violent, its noise discordantly loud. It is carrying its own damnation because it is trampling into distortion the humanity upon which it stands. It is strenuously turning out money at the cost of happiness. . . . The vital ambition of the present civilization is to have the exclusive possession of the devil ” (quoted from Webb, *Decay of Capitalist Civilization*).

The destruction of beauty caused by the ruthlessness of modern commercialism has helped to blot out from the world one of those witnesses to God which by awakening wonder have led men to worship.

*The Destruction of Truthfulness*, due to the ceaseless pressure of unrestrained competition, assists in the degradation of the soul. Of course there is much that

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is upright, honest and noble in the conduct of many a business, and some firms on both sides of the Atlantic are conspicuous for the strict honesty with which their business is conducted. In my long journeys over America I have frequently discussed with groups of business men whether honesty or dishonesty was the leading characteristic of modern business. In the United States business men are more frank and much less secretive than they are in England. The evidence of these men may be summed up in three propositions, which somewhat qualify each other : (1) That in the long run, under the strain of competition, it is impossible to keep an adulterated or faked or fraudulent article on the market for more than two years. Therefore that it was not worth while to be dishonest ; and that on the whole the public generally received what a firm promised to give both in quality and quantity. This assurance gave me much pleasure. (2) But my satisfaction was somewhat qualified when I asked, " What becomes of those goods which, either by flaw in manufacture, or departmental dishonesty and deliberate adulteration, are not up to their specification ? They must go somewhere." The next hour or two was generally spent in vivid recollections of feats of salesmanship as half a dozen men recall their commercial triumphs in such words as these : " Do you remember how I managed to dump ten thousand bales of injured goods on old So-and-so three years ago ? " From which I gathered that injured goods sink in the market until they can be palmed off on the poor. (3) When I asked whether rings or combines when they were watertight were not much tempted to lower the quality and raise the price, I received a most interesting volume of evidence, from the one cent advance in price, which puts millions

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of dollars into the pockets of the master minds who direct the business, to the gigantic swindles of large-scale operators who buy a controlling share in another competing company and at once proceed to lower the quality of goods supplied by that company, until this subsidiary company is driven from the field of competition and the combine reigns supreme to supply the public in the way most profitable to itself. (4) When I asked, "Whether it is true that when an industry is fit for trustification it is then fit for nationalization?" I was told that that would never do, as in nationalized business the officials would be so liable to receiving graft (to bribery), and it would soon be rotten through and through!

The total impression made on me by all the information I have gathered is that, after making due allowance for a large amount of honest work and honest trading and many men who are faithful to their word, the whole system of modern commerce is penetrated through and through with fraud and corruption. This impression is confirmed by the study of much evidence given in many Commissions which have inquired into the adulteration of food and other articles of commerce. From the petty lies which cross the counter of some little shop in the slums to the stately lies which cross the floor of the House of Commons as some Right Honourable Member of the Cabinet explains our diplomatic intercourse with other nations, from the adulteration and short weight in food so often given to the poor to the colossal operations of trusts and combines with interlocked directorates which embrace half a continent in their enterprise and control politicians and armies and navies, we are confronted with a civilization penetrated through and through with corruption and falsehood.

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Of course, no one familiar with economic history expects to find a lie-proof system of organizing commerce. But we may hope to find some system which will better distribute the rewards of labour than this materialistic economic based on selfishness, conducted by the method of unrestrained competition for private profit, and in its fruits destructive of the spiritual values which really enrich the life of man. Briefly stated, the point at issue is, Shall we base our economic on Individualism or Socialism, on the Selfish or the Social instinct in man's nature, on unrestrained competition for private gain or on world-wide co-operation for the common wealth? The comparison of these two systems cannot be better expressed than in the following passage from Bishop Westcott's address to the Church Congress at Hull in 1890—

“Individualism and Socialism correspond with opposite views of humanity. Individualism regards humanity as made up of disconnected and warring atoms; Socialism regards it as an organic whole, a vital unity formed by the combination of contributory members mutually interdependent.

“It follows that Socialism differs from Individualism both in method and in aim. The method of Socialism is co-operation; the method of Individualism is competition. The one regards man as working with man for a common end; the other regards man as working against man for private gain.

“The aim of Socialism is the fulfilment of Service; the aim of Individualism is the attainment of some personal advantage, riches or place or fame. Socialism seeks such an organization of life as shall secure for everyone the most complete development of his powers; Individualism seeks primarily the satisfaction of the

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particular wants of each in the hope that the pursuit of private interest will in the end secure public welfare."

### A. EXTRACTS FROM "STABILIZATION,"

BY E. M. H. LLOYD.

The vision of the possibility of a Co-operative Commonwealth of Nations organizing and rationing the raw material and food supplies of the world for the good of all was placed before us in a book entitled *Stabilization*, by E. M. H. Lloyd, to which too little attention has been paid, and from which under my own headings I venture to quote the following—

#### *The Control of Economic Forces* (p. 21).

"The War demonstrated a new and astounding power to control what had been hitherto regarded as the inexorable laws of the economic system. Without any revolutionary changes in the political constitution or the ownership of capital, the economic system was radically transformed. Instead of working primarily for a multitude of conflicting individual purposes, it was made to function for two predominantly social purposes: first, the prosecution of the war, and secondly the maintenance of a civilized standard of life for the whole population. So successful was this transformation that, on the whole, the standard of life of the mass of the population was well maintained, and even for some sections improved, in spite of the immense military effort required to carry on the war." (Accusations of waste and inefficiency.) "What the critic overlooks is that the production of consumable and capital goods during the war surpassed anything ever dreamed of before the war."



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*International Co-operation* (p. 49).

Joint Committee on Cost of Living, 1920.—“ A steady improvement in productivity and the maintenance and raising of the standard of life of the people can only be achieved by co-operation between all countries in the trade of the world, by improvements in methods and machinery, and by a far-reaching reorganization of industry.”

*Government Purchase* (p. 78).

(In war-time) “ The total demand of all socially necessary commodities was known or could be estimated by the Government. The problem of obtaining the supply was therefore comparatively simple. By centralized purchase, guaranteed prices, and long-term contracts, production could be so regulated as to ensure the supply required. But to-day conditions are totally different . . . a conservative and individualistic world.”

*Stabilized Production* (p. 82).

“ Mr. Walter Teagle, President of the Standard Oil Company, in an address to the American Petroleum Institute in December 1921.—The ideal to be aimed at, he pointed out, was to maintain production at a given level irrespective of current requirements. This would entail, first, the building of vastly greater tank storage for the purpose of holding reserves, and secondly the stabilization of prices by a world monopoly operated in the world's interests ” (*Manchester Guardian, Commercial Reconstruction Supplement*, p. 253).

*Contrary to Human Nature* (p. 120).

“ The last and most fundamental objection will be that such a high degree of collective organization and

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intelligent purpose is contrary to human nature. Two hundred years ago the existing banking system and the whole apparatus of international trade would have been dismissed in the same terms. We cannot tell what human nature can do until we have tried. But in this generation at least we cannot safely set limits to the possibilities of human co-operation, whether for good or for evil. The whole course of the war runs counter to pre-war views of human nature and the potentialities of modern society. Side by side with devastating destruction and bloodshed, feats of collective endeavour, unimaginable and unbelievable before the war, were accomplished by the new technique of large-scale organization and a new spirit of corporate enthusiasm."

*Obstacles* (p. 125).

"Fatalism, inertia, lack of imagination and fear of the unknown are the real obstacles to sane projects of reconstruction, greater even than unenlightened self-interest and a jealous insistence of anti-social power and privilege. For it is the masses of the people who are guilty of the former, and only a minority of the community who have any reason to feel the latter. All suffer alike, in some degree or other, from alternating periods of profiteering and bankruptcy, of unemployment and strikes, of recurring wage disputes and all the misery and unrest and waste of wealth and human capacity which economic instability involves."

*The World State* (p. 126).

"International regulation of currency, international control of food-stuffs and raw materials, and international understandings as to prices, markets and output are the foundation on which the future world order will be based, and the economic skeleton of the coming World

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State. . . . When the banking and monetary systems of the world, and the prices and production of many of the world's staple commodities, are regulated in the general interest by the technique of large-scale organization and intelligent planning, many of the most glaring anomalies of the economic system will be brought to an end ; and the foundations at least will be laid for a more sane and tolerable social system, a fairer and more fruitful distribution of income, more real wealth and less futile drudgery, and a wider and more generous provision for education and freedom, and all that makes life worth living."

It is for Christians who have the dynamic of the Holy Spirit and believe in God's providential ordering of the life of man to overcome these obstacles of fatalism, inertia, lack of imagination and fear of the unknown to which the author refers.

And this will enable us to present God's Purpose for the World in a more attractive way than we do under the present system, which somewhat misrepresents the Gospel of Love to our visitors from the East.

### **B. AN INDIAN ON WESTERN CIVILIZATION.**

(Quoted at the Glasgow Students' Conference,  
January 1921.)

"What bewilders an alien observer . . . is not the occasional aberrations of the Christian nations, but their habitual conduct and organization ; not their failures, but their standards of success ; not their omission to live up to right principles, but their insistence that wrong principles are right.

"Your religion is a noble if paradoxical creed, which affirms that all men are brothers, that humility and

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poverty are blessings, and riches a dangerous misfortune ; that the way of service and self-sacrifice is the way of happiness. I do not blame you for not reproducing those theories in your practice. Evidently they are not meant for daily life. What surprises me, however, is that you erect into a system the duty and happiness of practising precisely the opposite.

“ The normal condition of your social order is an economic civil war which you hardly take the trouble to conceal. Your industrial system involves the regimentation of masses of mankind by a few thousand rich men, who are, individually, no doubt, innocuous, but who quite frankly regard their subjects as somewhat rebellious and inconvenient instruments of production. . . .

“ Your creed is exalted, but your civilization is a nightmare of envy, hate and uncharitableness. I would forgo the former in order to escape the latter ” (Introduction to H. T. Hodgkin’s *The Christian Revolution*).

## CHAPTER IV

### THE CLASS WAR AND THE WAGES SYSTEM

"My friends," says Mr. Chadband, in *Bleak House*, "peace be on this house. . . . What is peace? Is it war? No. Is it strife? No. Is it lovely and gentle and beautiful and pleasant and serene and joyful? O yes! Therefore, my friends, I wish for peace upon you and yours." At this point his discourse was interrupted by a servant-maid, who said that the cabman wanted to see Mr. Chadband because he had only given him a shilling instead of one-and-eightpence, which was his just fare. When Mr. Chadband saw that his spiritual influence was imperilled by so much publicity, and that full payment could not be avoided, with a magnificent gesture of generosity he waved to his wife and told her to pay the eightpence, and, "glowing with humility and train-oil," continued his address to those around the tea-table. "My friends, eightpence is not much: it might justly have been one-and-fourpence; it might justly have been half-a-crown. O let us be joyful—joyful! O let us be joyful!"

This passage came to my mind again and again during the coal dispute in 1926 as I read the speeches in Parliament of wealthy employers and their subservient politicians on the necessity of reducing wages, and that all they wanted was peace and good will. In the first place peace is never something to be desired *in itself* apart from its qualifications. The first necessity is to see that the relations between men and the distribution of the rewards of labour are such as satisfy Justice and

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Righteousness. Then there will be peace. In the second place it is hypocrisy to talk of peace while the employers are manœuvring for a better position in the Class War.

In this chapter an endeavour will be made to show (1) that there *is* a Class War and that it is useless and most mischievous to ignore it. (2) That Christians ought to seek out the cause of the war and remove it. (3) That the cause of the Class War is the present system of regulating wages. (4) And that an equitable labour shareholding system would be the first real step toward peace.

### I. THE CLASS WAR.

It is generally assumed that Karl Marx originated the idea of the Class War because he and Engels defined it and gave it full expression. But this is a mistaken notion. Adam Smith, in his great work, *The Wealth of Nations*, first published in A.D. 1776, described the conflict in the following passages on Wages—

“It seldom happens that the person who tills the ground has wherewithal to maintain himself till he reaps the harvest. His maintenance is generally advanced to him from the stock of a master, the farmer who employs him, and who would have no interest to employ him unless he was to share in the produce of his labour, or unless his stock was to be replaced to him with a profit. This profit makes a second deduction (after rent) from the produce of the labour which is employed upon land” (p. 58).

“What are the common wages of labour depends everywhere upon the contract usually made between these two parties, whose interests are by no means the same. The workman desires to get as much, the master

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to give as little as possible. The former are disposed to combine in order to raise, the latter in order to lower, the wages of labour. It is not, however, difficult to foresee which of the two parties must upon ordinary occasions have the advantage in the dispute and force the other into a compliance with their terms. The masters, being fewer in number, can combine much more easily ; and the law, besides, authorizes or at least does not prohibit their combination, while it prohibits those of the workman. We have no Acts of Parliament against combining to lower the price of work, but many against combining to raise it. In all such disputes the masters can hold out much longer. . . . Many workers could not subsist for a week, few could subsist for a month, and scarcely any a year without employment."

" Masters are always and everywhere in a sort of tacit but constant and uniform combination not to raise the wages of labour above their actual rate. . . . Masters, too, sometimes enter into particular combinations to sink wages even below this rate. These are always conducted with the utmost silence and secrecy, till the moment of execution. . . . 'The workers ' are desperate men who must either starve or frighten their masters into an immediate compliance with their demands" (p. 60).

" Mr. Cantillon says : The labour of an able-bodied slave is computed to be worth double his maintenance ; and that of the meanest labourer, he thinks, cannot be worth less than that of an able-bodied slave " (p. 60).

Dr. A. J. Carlyle commented on this subject at the Lichfield Church Conference, October 17, 1919—

" Adam Smith wrote : ' The wages of labour are the expression of a contract between two parties whose interests are different ; and that lay at the bottom of all

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industrial life. *In a conflict of interests the victory went to force. Normally the labourer is the weaker.*' That was the doctrine of the Class War—not a Socialist doctrine, but one laid down by Adam Smith. It was a condition *fundamentally opposed to the Christian Faith*. The real enemy of Christianity was not the Socialist or the Secularist, *but the industrial system itself*, because it was built on foundations which made man not a co-operator, but an enemy of his fellows."

The Class War found its most brutal expression in an anonymous pamphlet by Prebendary J. Townsend, entitled *A Dissertation of the Poor Laws by a Well-wisher of Mankind*, first published in 1786, from which I quote one passage : " Legal constraint (to Labour) is attended with too much trouble, violence and noise . . . whereas hunger is not only a peaceable, silent, unremitted pressure, but as the most natural motive to industry and labour it calls forth the most powerful exertions."

### **II. THE WAGES SYSTEM.**

The horrors of the late War and the degrading character of the Peace have awakened the consciences of thoughtful people to reconsider the basis and methods of our social and economic life. It is seen that any system which adopts the method of unrestrained competition for private profit regardless of the common wealth makes war inevitable. For it *is* war from the cradle to the grave.

Capitalism, with its vast accumulation of money, and therefore of power, in the hands of a few individuals, with its inevitable extremes of poverty and wealth, with its appeal to hunger, fear and greed, and lust of power as the only motives which will move men to



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labour, and with a universal world-wide war as its inevitable end, should be condemned by the conscience of mankind.

Men ask in despair whether there is any other way of organizing our social life. We suggest that the Economics of the Kingdom of God provide an alternative system, since it will substitute co-operation for competition as the basis of our economic life, and has for its fundamental principles : (1) Respect for Personality ; (2) Faith in Freedom ; (3) Industry as a communal or co-operative effort for the common wealth. These will probably express themselves in national ownership and democratic control of industry through a system of self-governing guilds or groups.

### ***1. Wage-Slavery.***

Under chattel-slavery the purchaser bought a man entire ; under wage-slavery he buys only so much of the man as he wants and for so long as he wants. The chattel-slave was a valuable human machine which had security without freedom. The wage-slave is merely the provider of labour-power : he has freedom without security.

It paid the owner of the chattel-slave to keep his property in good repair, but the employer of the wage-slave has not necessarily any interest in him except to get as much labour-power out of him as possible and then to " scrap " him. Adam Smith says : " The wear and tear of a slave, it has been said, is at the expense of his master ; but that of a free servant is at his own expense " (*Wealth of Nations*, vol. i, p. 72). I am not ignoring the magnificent philanthropy of many employers. I am only leaving it on one side for the present, because what is given in charity is often accumulated by

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injustice ; and we want to win a clear-eyed vision of what is right and just.

### ***2. Labour as a Commodity.***

We have de-personalized labour, dissociated it from the labourer, and treated it as a commodity to be bought and sold, with almost entire disregard of the person from whom it has been abstracted.

The chattel-slave was provided for in sickness and in health, in employment and unemployment. The wage-slave is at the mercy of the employer, who may manipulate an industry solely with a view to prices and profits, and with entire disregard of the interests of the labourer and of the community. The wage-slave has political but not economic freedom. He must go where employers want his labour, and work under conditions over which he has no control, in obedience to foremen whom he does not choose, and who may be utterly indifferent or even hostile to his interests. He is allowed no interest whatever in the product of his labour, which goes to provide private profit for his employers or for shareholders whom he has never seen. In selling his labour force he practically sells his freedom. The result is a soulless system in which personality is crushed and all pride and joy in work is stifled.

### ***3. De-moralization.***

When personality is ignored, human relationship ceases to be moral, i.e. becomes de-moralized. Under the present system of wage-slavery wealth is divorced from labour. The labourer is robbed of his personality, and money is endowed with the personality of which the labourer has been deprived. Money has ceased to be a mere symbol of work done and a medium of exchange. It has become the plaything of financiers and speculators.

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"Money breeds money," and a whole litter of mean vices—avarice, falsehood, cunning and cruelty. "Money talks," and has as many humours as an old maid; is "shy," "nervous," and very "sensitive," and is constantly threatening to go abroad for her health whenever she cannot have her own way. The result of this divorce of money from labour is the creation of an enormous class of absentee owners who live by owning. Many of these are good stewards of the wealth they own, and spend their lives most generously in the voluntary service of humanity. But others are mere parasites, and squander their unearned, and often inherited, wealth in luxury, idleness and vice, or accumulate it in order to get further control over the lives of other men.

We are not opposed to some degree of personal property, which is essential to full and free self-expression and self-realization. But we may distinguish between "property for use" and "property for power," and recognize that industry can no longer maintain a parasitic class who contribute nothing to the health or efficiency of the work. The capital needed can be supplied from other co-operative sources, the State or the municipality.

### *4. The System of Pay.*

The wage system makes one class of men merely the means to the ends of another class: it degrades and wastes labour by poverty, overwork, and insecurity; it corrupts the wealthy by encouraging luxury, idleness, and the wielding of irresponsible power; it directs production merely to private profit, instead of to goodness, utility, beauty, and the common wealth. Production for private profit alone inevitably demands

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unemployment. A large margin of unemployed is desirable under this system, as it keeps the price of labour down to subsistence level and facilitates the rapid expansion and contraction of a business.

One alternative to the "wages" system is the system of "pay." The sailor and the soldier receives pay, whether he be at work or on his holidays; he is provided for in sickness; he receives allowances for wife and children; he retires on his pension; some provision is made for his widow and orphans. He is paid whether there be a war going on or not. It is far from ideal, for it lacks freedom and self-government. I only refer to this pay system as illustrating one alternative to the wage system.

### ***5. The Church Condemns the Wage System.***

The real peril of our day which threatens to force on revolution seems to lie in that mental immobility of men who still seem to believe in the Divine Right of Capitalists, and to value property more than life—men who face the problems of the future with a pre-war mind and an early Victorian economic. But the Church, in the *Archbishops' Report*, has had the courage to face the facts. "But we submit that the criticism which the thoughtful workman passes upon the economic system is that it often *treats him and his class as instruments of production*, and that this criticism is a very weighty one because *it cuts to the root of both modern industrial relationships and of modern social ethics*. . . . It suggests that, except in those industries in which, by prolonged and repeated struggles, the workers have forced on society the fact that *they are men, not machines*, they are still too often liable to be treated—of course, as we have said, with many exceptions—as *cogs in the*

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*industrial mechanism.*" "Workmen are often engaged when there is work, and dismissed when there is none. They are employed casually, if casual employment is economically convenient. Unless protected by law or by trade unionism, they are liable to be worked inhuman hours, to be paid the lowest wage which they can be forced by fear of unemployment to accept, and to be bound by regulations which they have no voice in making. *That such conditions produce poverty is obvious*, for they leave the weaker members of the community without protection against the downward thrust of economic pressure. But that is not the gravest stricture to be passed upon them. The fundamental objection to them is that they tend to result in men and women being treated *as instruments of production*, and that *to treat human beings as instruments of production is morally wrong*. Any system under which they are so employed, however efficient and imposing, is in itself anti-Christian" (p. 15).

The Church, then, clearly denounces the present system as anti Christian. Bishop Westcott, one of the greatest thinkers of the nineteenth century, writes thus of the wage system: "Wage labour, though it appears to be an inevitable step in the evolution of society, is as little fitted to represent finally or adequately the connection of man with man in the production of wealth *as in earlier times slavery or serfdom.*" (The italics throughout are mine.—P. B. B.)

Again, in developing the social consequences of the belief in the Fatherhood of God, he says—

*"It passes on without to the connection of employer and workmen, which ceases, I cannot but say, to be human if it is made to mean only so much labour for so much money."* "It passed to the connection of government and citizen, which is simply a compact of limited

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slavery, unless we recognize above us that which we may modify but which we cannot make, a manifestation of eternal authority, which we are born to treat with loyal reverence " (*Social Aspects of Christianity*, p. 28).

In the good Bishop's words we hear an echo of the flaming denunciation in *The Communist Manifesto*, put out by Karl Marx and Frederick Engels in 1848. On page 9 (Authorized English Translation, 1884) they say: "The bourgeoisie, whenever it has got the upper hand, has put an end to all feudal, patriarchal, idyllic relations. It has pitilessly torn asunder the motley feudal ties that bound man to his 'natural superiors,' and has left remaining no other nexus between man and man than naked self-interest, than callous 'cash payment.' "

### 6. *The Commodity Theory of Labour.*

The Class War will continue as long as labour is regarded merely as a commodity to be bought and sold in the market. At present, if a man wants to establish a factory, he erects his buildings, purchases his machinery, buys his raw material, hires his electricity for light and power which he can switch off or on as he wills, and then he buys his labour-force of heart and mind and will and muscle. This also he can switch off and on as he wills, provided there be a sufficient margin of unemployed to keep the price of labour down, and to enable him to expand or contract his staff as the cycle of "boom" and "dull" periods recur. This cycle is created by our method of production for private profit. When the demand is great, there is a rush to supply it. New factories open. The market reaches the point of saturation. Over-production occurs. Vast surplus stocks are accumulated. Until

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these are absorbed mills must go on half-time, labour must be dismissed and added to the number of the unemployed. As Ricardo says in his *Principles of Political Economy and Taxation*, published in A.D. 1817 : " The natural price of labour is that price which is necessary to enable the labourers, one with another, to subsist and to perpetuate their race without either increase or diminution " (p. 52). " The market price of labour is the price which is really paid for it, from the natural operation of the proportion of the supply to the demand : labour is dear when it is scarce and cheap when it is plentiful " (p. 53). " When the market price of labour is below its natural price the condition of the labourers is most wretched : then poverty deprives them of those comforts which custom renders absolute necessities. *It is only after privations have reduced their number*, or the demand for labour has increased, that the market price of labour will rise to its natural price and that the labourer will have the moderate comforts which the natural rate of wages will afford " (p. 53). Edmund Burke, in his Letter to William Pitt, November 1795, entitled " Thoughts and Details of Scarcity," wrote : " The impossibility of the subsistence of a man who carried his labour to a market is totally beside the question in this way of viewing it. The only question is, What is it worth to the buyer ? " (vol. i, p. 89, Bohn, English Classics).

It is significant of the grave ignorance of modern economics of the best employers and M.P.s that Sir Hugh Bell quoted this sentence in a letter to *The Times*, May 25, 1926, in the Coal Dispute, as a " pregnant sentence from Burke ! " In the same essay Burke, in exhorting the Government not to intervene, writes " that there is no way of preventing this evil . . . but

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manfully to resist the very first idea, speculative or practical, that it is within the competence of government, taken as government, or even of the rich, as rich, to supply to the poor those necessities which it has pleased the Divine Providence for a while to withhold from them. We, the people, ought to be made sensible that it is not in breaking the laws of commerce, which are the laws of Nature, and consequently the laws of God, that we are to place our hope of softening the Divine displeasure to remove any calamity under which we suffer or which hangs over us" (p. 100). Thus this evil system by which the labourer had been divorced from the land and, being landless, was forced to sell his labour-force as a commodity on the market was deified; and the direct consequences of the sins, the greed and stupidity of the ruling classes were attributed to the Providence of God.

Professor Gide thus describes the "commodity theory" of labour ("The Wage System," Gide, *Principles of Political Economy*, p. 547): "This method of remunerations treats labour—that is to say, the labourer, for it is impossible to separate the one from the other—as a commodity and regards it as subject in the market to all the laws which determine the value of commodities. Now these laws are natural laws, and have nothing to do with moral considerations. Hence it has been said—Chateaubriand was the first to say it—that the wage system is a survival of the slave system and the slave trade, which also treated men as objects to be bought and sold. Landowners and capitalists put only their possessions on the market, not themselves. Now the man who sells his labour or hires himself for money is generally at a great disadvantage when compared to the man who exchanges a commodity for money."



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We may close this section with a letter reproduced in Bertrand Russell's *The Prospects of Industrial Civilization*, where the Commodity Theory of Labour is seen still to survive (Letter of Mr. A. C. Bedford, Chairman of the Standard Oil Company, to various New York papers, November 25, 1920). "Italy's principal commodity of export, labour, will in future be under Government control, and the interests of Italian emigrants to foreign countries will be more fully protected. Not only that, but it is hoped to distribute Italian labour scientifically in order that the country may receive the greatest benefits by receiving in exchange coal and the raw products of her industry. This plan will be opposed by the Socialists, who say that Italian labourers will have no right to choose their homes, and that it may close the United States to them, as they believe this country will not permit emigrants to enter with the intention of remaining virtual nationals of the country from which they come."

### 7. *The Labourer as an Instrument of Production.*

In keeping with this commodity theory of labour, and assisting to that de-personification which is the invariable consequence of applying the scientific method of personality, is the habit of speaking of the labourer as "an *instrument*," instead of "an *agent*," of production. This involves the whole distinction between a free man and a slave, for the essence of slavery is to use one man as an instrument of another man's ends. It is rightly condemned in the *Archbishops' Report*, 1918, p. 15: "Workmen are often engaged when there is work and dismissed when there is none. They are employed casually if casual employment is economically convenient. Unless protected by law or by trade

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unionism, they are liable to be worked inhuman hours, to be paid the lowest wage which they can be forced by fear of unemployment to accept, and to be bound by regulations which they have no voice in making. That such conditions must produce poverty is obvious, for they leave the weaker members of the community without protection against the downward thrust of economic pressure. But that is not the gravest stricture to be passed upon them. The fundamental objection to them is that they tend to result in men and women being treated as instruments of production, and that *to treat human beings as instruments of production is morally wrong. Any system under which they are so employed, however efficient and imposing, is in itself anti-Christian.*"

Dr. Hensley Henson, in an article in the *Edinburgh Review*, thus comments on this point: "But these considerations do not alter the fact that human beings considered as factors in the process of industry are, and are properly regarded as, instruments of production. . . . As an instrument of production, the worker intelligently considered has a sufficient charter of rights. He must not be over-worked, enfeebled by bad hygienic conditions, underfed, rendered listless and discontented. On no other condition can his efficiency in the full sense be guaranteed. So much is required, and so much economic science justifies him in demanding, so much and no more." Dr. Henson evidently has failed to understand the difference between an *agent* and an *instrument*. He has Aristotle on his side, who says: "Thus property is an instrument to living; an estate is a multitude of instruments; so a *slave is an animated instrument*" (*Politics*, p. 6, Everyman's Library Edition). And Burke uses the same phrase: "It is in the interest

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of the farmer that his work should be done with effect and celerity ; and that cannot be unless the labourer is well fed, and otherwise found with such necessities of animal life, according to his habitudes, as may keep the body in full force, and the mind gay and cheerful. *For of all the instruments of his trade, the labour of man* (what the ancient writers have called the *instrumentum vocale*) is that on which he is most to rely for the repayment of his capital. The other two, the *semi-vocale* in the ancient classification, that is, the working stock of cattle, and the *instrumentum mutum*, such as carts, ploughs, spades and so forth, though not at all inconsiderable in themselves, are very much inferior in utility or in expense ; and without a given portion of the first, are nothing at all ” (*Letter on Scarcity*, p. 88). This agrees with Dr. Henson’s use of the word. But it must be remembered that Burke was not an economist, and Aristotle not a Christian. Economists from J. S. Mill onward speak of man as “ an agent of production ” ; and most thoughtful men to-day would agree with the *Archbishops’ Report* in condemning this “ instrument ” view of the labourer as anti-Christian, and with Dr. Westcott, the great Bishop of Durham, in condemning the merely cash nexus between employer and employed as “ inhuman.”

It would not be necessary for me to dwell on these two points—the “ commodity ” theory of labour and the “ instrument ” view of man—but for two facts—

Firstly, in spite of the fact that they have been shattered by criticism and abandoned by modern economists, they still form the mental presuppositions of the capitalist class, and of that reserve army of leisured people with closed minds. The fact that I have quoted a respected member of the House of Commons (Sir

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Hugh Bell) and a member of the House of Lords (Dr. Hensley Henson, Bishop of Durham) as using these phrases in that quite respectable journal, *The Times*, and in a thoughtful magazine, the *Edinburgh Review*, shows that the fallacy which underlies them still needs exposing—i.e. the confusion of “pure” economics with “social” economics, the mathematical law with the personal relationship, the logical schematization with the living reality.

Secondly, the refusal to recognize the personality of the labourer, the attempt to treat him always as an abstraction—“labour,” “a force,” “energy,” “a hand”—but not as a man and a brother, to equate him with “Capital,” “Capital and Labour,” when Capital is a lifeless thing—this refusal of Personality to labour lies at the root of our Industrial Unrest. Wherever science is applied to human beings it “de-personalizes” them, kills out personality. For personality is free, and science can only deal with the determinate. Personality is a whole, and science can only work by abstraction; personality is rooted in the unseen, and science can only deal with the phenomenal; a person is a living being in living touch with ultimate Reality by experience, while science deals with secondary causes and only observes, registers, analyses, associates and schematizes experience, and too often mistakes the truth of its legitimate abstraction for the truth of the Whole. So Eugenics treats man as a breeding animal, a legitimate abstraction, and then attempts to organize human life on the principles of the stud farm—an absurdity. And Classical Political Economy treated man as “a money-making animal,” and created the “Economic Man,” a Frankenstein monster, without a soul, and imposed its illusions on several generations robed in the majestic

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garment of Scientific Truth. Recently Psychology has exposed the fallacy of this method in the words of Professor McDougall, as to some extent a tissue of falsehood. "It would be a libel not altogether devoid of truth to say that classical political economy was a tissue of false conclusions drawn from false psychological assumptions. And certainly the recent progress in economic doctrine has largely consisted in, or resulted from, the recognition of the need for a less inadequate psychological basis" (*Social Psychology*, p. 11).

This merely abstract mathematical scientific economic we have been describing, with its mechanical universe and its de-personalized man and its conception of God as "The Absentee Owner" who never interferes with His Universe, who only comes into economics of the eighteenth century when the Capitalist has made such a mess of human affairs that he must attribute it to an "Inscrutable Providence" who, so far from "providing," seems more to "deprive" the poor of bread, or "the Divine Disposer of Events" who is used to adorn the turgid rhetoric of Parliamentary oratory or to distract attention from some specially unscrupulous political transaction—this view of life passed away with the passing of the eighteenth-century Deism. We now know God and man and the universe in quite other terms—God as the transcendent King of Kings and Lord of Lords, in whom the Universe "consists" or holds together, for the Universe is in Athanasius' phrase "the Body of God"; God who is love and abides in all who love; God the King—and Righteousness and Judgment the Foundations of His Throne, who burns in the hearts and on the lips of all who demand justice for the poor, who will not be put off by the dead dogmas of classical economists or the pompous platitudes of

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party politicians. Man as made in God's image and destined to grow into His Likeness ; God's vicegerent who bears His primeval commission to subdue the earth and have dominion over it ; man who creates all values by mixing his labour with the earth ; who is God's agent, not the instrument of any other man ; God's steward, who must give to God an account of his stewardship—Politics as the way in which we regulate the relationship of God's family so that His children may live together in harmony with the Will of God in righteousness and justice. Economics, the way in which we may best make use of the provision God the Father had made for His family, with its two divisions, " pure economics," the study of God's Will as expressed in the constitution of the Universe, and " social economics," the study of God's Will in the relationship of men to one another in the best development and distribution of those gifts and opportunities which God has given us.

This is what we mean by the Economics of the Kingdom of God. And we note that whenever God has been neglected or ignored, human values have deteriorated and human relationships have been perverted. Whenever His absolute Dominion over all things is fully recognized, human relationships become wholesome and man is restored to his true dignity as a son of God.

### III. THE ORGANIZATION OF LABOUR.

A full description of the organization of labour in the Class War cannot be attempted here. We can only give some statistics of those leading organizations by which the worker has won his way to political freedom, and is surely winning economic emancipation.

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### 1. *The Trade Unions.*

In Great Britain in A.D. 1923 the membership was 4,369,268.

In the United States in A.D. 1923 the membership was 4,000,000.

The *Labour International Year-Book* for 1923 gives the total membership claimed by the International Federation of Trade Unions (Amsterdam) in 1922, apart from the Red International Labour Unions, as 21,991,615.

The total number of organized workers throughout the world is given in *The World Almanac*, 1926, p. 189, as 40,928,610.

Beyond this is a vast margin of casual and unorganized labour, who lower the price of labour by competition, but are in sympathy and need on the side of labour in this awful and needless Class War.

### 2. *The Co-operative Societies.*

The Co-operative Societies in England owe their birth to the Rochdale Pioneers, who founded their scheme in 1844. Since then they have spread over the whole area of working-class population. In 1883 the membership of the societies in the United Kingdom was 602,181; in 1923 it was 4,598,737. Their capital in 1883 was £1,537,788; in 1923 it was £118,503,763. An interesting account of the movement is given in *Co-operative Storekeeping, Eighty Years of Constructive Revolution*, by Sydney R. Elliott (The Labour Publishing Company, Ltd., 38 Great Ormond Street, London, W.C.1). The movement has become international. In 1924 inter-co-operative trade in Europe amounted to £40,700,186, over £12,000,000 of which were in

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goods drawn from Co-operative sources. Food represented 96 per cent. of the total purchases. Encouraged by these figures, the Committee meeting at Prague on March 24, 1924, drew up a constitution for the International Co-operative Wholesale Society. They are also dealing with Banking and Insurance (p. 36).

"The aim of a Co-operative Society always and everywhere is to eliminate profit on price. This it seeks to do by organizing the market, discharging the duties of the entrepreneur and saving his profit, eliminating also, so far as a small force of consumers' policemen in a community of commercial burglars can eliminate, the element of speculation in trade. The Society provides the capital of business, paying upon it a fixed rate of interest. Since the profits are distributed on sales, capital cannot appreciate, and the amount of unearned income is limited. As Co-operators penetrate to the sources of raw materials and win ownership of the land, they abolish the landlord and save his rent. Thus the Co-operative Movement is revolutionary in theory and in practice" (p. 39).

Co-operation has as yet made small progress in America, which may for a few more years indulge in a riot of prosperity, but which will feel the need of stabilizing industry and commerce as soon as her vast natural resources have been exploited and used or wasted. I have mentioned these two organizations of labourers, the Trade Unions and the Co-operative Societies, because I believe that they are the most important factors in building up those spiritual and ethical habits of thought which will be dominant in the industrial constitution of the future—self-government in industry and co-operation on a world-wide scale in production and distribution. Thus, while on every



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side we see the Capitalist System in the last stage of decay, we see growing up within it those constructive and spiritual forces which will succeed this worn-out system.

Business men throughout the world are recognizing that the Capitalist system is collapsing. Mr. H. Valder, of Hamilton, New Zealand, whose constructive proposals will be quoted later, speaks thus of our present system : "An examination of the present industrial system reveals the fact that this system is not based on any principle of reason or justice. It is simply grafted on to the feudal system, in which force was the deciding factor. In any dispute between the two contributing parties to industry, Labour and Capital, power alone decides the issue. The real fact is that the present industrial system has served its purpose and has outlived its usefulness, as was the case with the feudal system in its time. If any evidence were needed to support this contention, the industrial unrest throughout the entire world is surely sufficient to convince the most sceptical " (" Business Methods," an address delivered at the Pan-Pacific Rotary Conference at Honolulu, May 1926).

We must now sketch the forces which Capital mobilizes against Labour in this ghastly and needless Class War ; and then we will pass on to review the various constructive proposals which will enable us to stop the Class War by removing its cause.

### IV. THE ORGANIZATION OF CAPITAL.

In sketching the various sections of the Army of Capitalism it must be most emphatically stated that no suggestion is made of ill-will on the part of all who

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are enrolled in its ranks. The system is an evil system with no basis in reason or justice. It de-personalizes labour and demoralizes commerce. But the persons who are born into it, and grow up within this prison-house of humanity, and who have to administer it, are often quite as good as the victims of this system who are ground down under it. Just as in the late War there was in every Army every possible variety of man with every possible variety of motive, and 60,000,000 men moved to mutual destruction impelled by forces over which they had no control, so in the Class War, in both Armies on either side there are every variety of men and every variety of individual motive. It is poisonously untrue to attribute to all employers the evils of the system. Among my own personal friends there are employers of the most noble character who hate the system as much as I do, and who have consecrated their lives and fortunes to the highest service of those whom they employ, who are consecrating their vast business experience to evolving a better and more just system, and who modify the cruelties of class warfare by every sort of eager endeavour to please God by re-establishing the personal relationship of a family in their works. These are the true Christians and the true Patriots, and I deeply sympathize with them in the bitter wounds that are inflicted upon them in this warfare.

But others in the Army of Capitalism are merely bestial or devilish. They approach all the problems of industry with that sordid mentality which the Capitalist system produces : believing only in force, mocking at sentiment, contemptuous of moral restraint ; looking on every effort to humanize industry as a superstitious yielding to emotion. One said to me : " Money is the

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Saviour of mankind." Others say : " What I want I take ; what I have I hold." They bring to Big Business a clever mind, a ruthless method, a dead soul where the conscience no longer stirs. They crush all who oppose them at any cost ; they manipulate markets for the sake of their own profits with entire indifference to the ruin of whole populations dependent on raw material for their work or food for their bodies. They despise pity with all the contempt of Zarathustra, and are in the economic sphere the fruit of Nietzsche's philosophy of the will to power. But there is nothing grand about their undertaking ; much of it is marked by low cunning, deceit, unscrupulousness and treachery, which will betray every trust if by the fluctuation of one-eighth of a cent millions will flow into their pockets. In America the Inter-State Commission of Commerce tracks down some of these super-criminals, and it is an education to attend their sitting and hear the plots of high finance revealed.

Between these two extremes there are, of course, every shade of character and every degree of virtue and vice in the Army of Capital.

### *1. Germany.*

Germany seems to lend herself most readily to these vast combinations or Cartels, which will gradually control the trade of the world. The long-established and rigid military discipline seems to have bred a docility of character which makes her workmen more easily organized than they are in other countries which have no compulsory military service to subdue independent thought and action. The size of her undertakings may be judged by this record of the activities of the lat

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Hugo Stinnes in the *Yorkshire Evening Post*, April 10, 1923—

"Hugo Stinnes is one of the Ruhr magnates. But that is only a part of his activities. He is the proprietor of seventy or eighty newspapers, owner of at least sixteen groups of coal-mines, paper, celluloid and motor-car manufacturer, hotel proprietor and shipping magnate. He is, in fact, the greatest force in Germany. Stinnes and a group of his fellow-magnates have been working since the War to weld all the coal, iron and steel, chemical, shipping, banking and paper industries into one vast machine, in the hope, so many observers believe, of capturing the world's trade. Stinnes, it was rumoured recently, controls 1,340 companies whose capital exceeds £500,000,000. He employs directly and indirectly 1,500,000 workmen."

His successors have lately organized a vast international Iron Ring called "the Four Power Pact," which embraces France, Germany, Belgium and Luxemburg, and is a kind of embryonic price ring which will eliminate competition within their own borders and may affect foreign competition. The *Manchester Guardian* (August 16, 1926), which describes this pact, does not consider it as a stage in the formation of a Franco-German anti-British bloc; and one German paper describes the British attitude towards the Iron Pact as one of benevolent neutrality. The iron and steel industries of South-Eastern Europe may join. The Berlin Correspondent of the *Manchester Guardian* writes: "The Pact has many critics here. It is feared that while the one corrective of competition will be eliminated, the other corrective of public or State interference will be impossible in the face of a ring of such immense power, and that consumers will suffer. Recent

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experience with the Franco-German potash combine has served as a warning. This combine has almost a world monopoly. Owing to thoroughly uneconomic management and some unjustifiable speculative activities the combine has had heavy losses. Under a competitive system it would now have had to pay the price for its own errors ; but it prefers to make the consumer pay, and had decided upon a very considerable increase in the price of potash. This is the kind of thing that may happen on a far bigger scale if the iron pact comes into operation, and it would seem doubtful whether any of the Governments would be in a position to exercise any kind of control."

### ***2. America.***

The large-scale operations of Big Business have their home in America. An example will suffice, which I reproduce from the *Report of the Committee on Trusts*, 1919, Cd. 9236, p. 8 in reprint, 1924.

"Five Corporations—Armour & Co., Swift & Co., Wilson & Co., Morris & Co., and Cudahy Packing Company—the Big Five—together with their subsidiary and affiliated Companies, not only have a monopolistic control over the American Meat Industry, but have secured control, similar in purpose if not yet in extent, over the principal substitutes for meat, such as eggs, cheese and vegetable oil products, and are rapidly extending their power to cover fish and nearly every other kind of food-stuff. The monopolistic position of the Big Five is based not only upon the large proportion of the meat business which they handle, ranging from 61 to 86 per cent. in the principal lines, but primarily upon their ownership, 'separately or jointly, of stock-

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yards, car lines, cold-storage plants, branch houses and other essential facilities for the distribution of perishable foods. . . .

"*Banks.*—Thus we have three of the most powerful banking groups in the country which the Pujo Commission classed among the six 'most active agents in forwarding and bringing about the concentration of control of money and credit' now participating in the rapidly maturing food monopoly above described.

"The combination among the Big Five is not a casual agreement brought about by indirect and obscure methods, but a definite and positive conspiracy for the purpose of regulating purchases of live stock and controlling the price of meat, the terms of the conspiracy being found in certain documents which are in our possession. If these five great concerns owned no packing plants and killed no cattle, and still retained the control of the instruments of transportation, of marketing and of storage, their position would be no less strong than it is. The producer of the live stock is at the mercy of these five companies, because they control the market facilities, and to some extent the rolling stock which transports the products to market. The competitors of these five concerns are at their mercy because of the control of market places, storage facilities, and the refrigerator cars for distribution. The consumer of meat products is at the mercy of these five, because both producer and competitor are helpless to bring relief."

It is scarcely necessary to refer to the Standard Oil Company, which with the Dutch Shell Company (British Capital) divides the oil resources of the world. *The Nation*, an American weekly paper, in its issue of February 10, 1926, makes these statements—

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*Standard Oil of Indiana.*—The stock outstanding from 1892 to 1912 was \$1,000,000.

In 1912 came a 2,900 per cent. stock dividend.

In 1920 came a 151 per cent. stock dividend.

In 1921 came a 100 per cent. stock dividend.

Thus, without a cent of new investment, the original 1,000,000 increased to 150,000,000, through the pyramidal process of profit-to-capital. In addition to stock dividends, the cash dividends declared between 1911 and 1924 were \$125,248,969. In other words, every \$100 invested before 1912 brought back to the investor within twelve years approximately \$25,500.

The magnitude of the consolidation of business in America may be judged from the following passage quoted from the *Report of Committee on Trusts* issued by the Ministry of Reconstruction in 1919 and reprinted in 1924 (Cd. 9236, p. 42)—

“The Sherman Act of 1890, however, declared illegal ‘every contract, combination, in form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States or with foreign countries’; and the resultant legal decision which dissolved some of the most conspicuous trusts led to the adoption of the method of actual physical consolidation by (a) the organization by a single company of a number of others, and (b) the formation of ‘holding’ companies to acquire the common stock of a number of concerns, and thereby to secure complete control without the necessity of purchasing preference shares or debentures.

“The process of consolidation has proceeded very rapidly until a very large portion of the field of United States Industrial production is dominated by powerful monopolistic or quasi-monopolistic consolidations. A *Report of the Ways and Means Committee of the United*

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*States House of Representatives*, in April 1913, enumerated some 224 consolidations of varying degrees of magnitude. Thus the United States Steel Corporation has acquired or controlled some 800 plants and has an outstanding capital of about £300,000,000; and other examples are—

The American Tobacco Company (180 plants, £112,000,000).  
The American Sugar Refining Company (70 plants, £28,000,000).  
The Central Leather Company (40 plants, £22,000,000).  
The International Harvester Company (33 plants, £31,000,000).  
The National Lead Company (15 plants, £11,300,000).  
The General Electric Company (30 plants, £18,000,000)."

Here it may be well to explain that some of these combinations are: (1) *horizontal*, as where a number of steel, shipbuilding, bolt and screw, and other firms engaged on the same stage of manufacture have amalgamated; and some (2) *vertical*, as where firms previously engaged as separate business concerns in coal, pig-iron, steel, and structural or marine engineering have been fused into one financial interest (*Report of Committee on Trusts*, p. 3).

In favour of these combinations it is urged with reason that—

(1) As the result of unrestricted competition of British manufacturers and of importers, prices are driven down to the lowest possible level and profits frequently reach a vanishing point.

(2) In the absence of profit manufacturers are discouraged, if not absolutely prevented, from reorganizing their plant, spending money upon improvements, and introducing new methods, and thus unrestricted competition may, and frequently does, result in an increased cost of manufacture, and to that extent to the actual



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detriment of the consumer. A further evil flowing from unrestricted competition is the tendency for manufacturers in the struggle for orders to supply commodities of the lowest and cheapest quality which consumers can be induced to accept. Consumers are in many cases unable to judge by mere observation the relative value of commodities, and this must tend to drive superior goods off the market, to the direct disadvantage of the consumers themselves. Where Price Associations exist, all members having to quote the same price, the competition among the manufacturers parties to the Association becomes one of quality, which raises the level of quality in production and promotes efficiency.

Against Combinations it is urged that a practical monopoly in private hands may be used for the good of the community, but, on the other hand, it may be, and has been, used to limit output, to raise prices, and to make vast fortunes for those who have the control ; and all their mistakes are paid for by the decrease in wages, because the industry cannot bear any more, and increase in price, because the consumer has no means of redress.

The objection to these combinations in England would be largely removed if they were nationalized to the extent of public costing and fixing of the maximum price and the minimum wage. In some cases their place may be taken by Municipal Enterprise or by the Co-operative Society. Where the industry is national in scope and stabilized, it should be transferred to State Ownership, but not to State Management. The State can always lease the enterprise with prescribed schedules of price and wages and other necessary conditions.

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### 3. *Restriction of Output by Trusts.*

We so often hear employers denouncing "ca' canny" on the part of Labour that it is interesting to have authoritative information on the restriction of output by employers.

Ministry of Reconstruction (*Commission on Trusts*, p. 3, § 3)—

In some of the other Associations which came under our review the regulations as to sale prices were omitted. One of such Associations, covering 99 per cent. of the total British output of an important steel product, was formed upon the basis that at the outset each firm in the trade should have a percentage of the total output allocated to it. At the end of each month the Secretary receives from each firm particulars of its output during the month. By adding these amounts the total output of the trade for that month is ascertained. The Secretary then calculates what percentage of the total each firm has done, compares that actual percentage with the allocated percentage, and then informs each firm by how much it has exceeded or fallen short of its agreed quota. For every ton by which a firm has exceeded its percentage it pays the sum of £1 into the pool. For every ton by which a firm falls short of its percentage it draws a sum of 10s. from the pool. We were informed that the Association made no attempt to fix or regulate the total output of the industry, leaving that perfectly free to expand or contract according to demand. . . . One firm that joined the Association had entirely ceased to manufacture from that time, but had ever since continued to draw a handsome income from the pool.

In § 2, p. 3, one witness of great experience asserted : " That it was a law of progress that the inefficient

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should go, but in practice progress was impeded because he would not go ; so instead of trying to kill him, they had decided that it was better to pension him off, since that cost far less. If the inefficient man who used to struggle to do 3 per cent. of the trade likes to content himself with doing  $1\frac{1}{2}$  per cent., or none at all, the difference goes to the more efficient man, who, working more economically, can well afford to pay into the pool from which the inefficient man can draw compensation." This pensioning of the inefficient is a new method of rewarding industry.

The best description of the American nation I have seen is that of Hugo Münsterberg, late Professor of Psychology at Harvard University, who, in his book *The Americans* (Williams and Norgate, 1905), writes thus (p. 311) —

"The trusts have other demoralizing effects. Their resources are so tremendous as in the end to do away with all opposition. The independent man who hopes to oppose the great rival can too easily be put in a position in which he is made to choose between beggary and the repudiation of all his principles. Everybody knows the shameless history of the Standard Oil Company, which has strangled not merely weak proprietors, but much more has strangled strong consciences. Then, too, the whole system of over-capitalization is immoral. Large trusts can hardly be formed except by purchasing the subsidiary companies at fancy prices, and issuing stock which in large part represents the premium paid to the promoters. Indeed, the whole system of community of interests which puts thousands of corporations into the hands of a few men who everywhere play into one another's hands must bring it about that these men will soon grow careless and

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overlook one another's irregularities in a way which will threaten sober business traditions."

After this sketch of the Trustification of Industry and Commerce in America, with its vast interlocked combines such as those two at which we have glanced, it seems ridiculous to mention British Capitalism, which is on so much smaller a scale, just as Americans arriving in England are intensely amused at our toy engines and railway trains. But the Industrial Revolution began in England in 1750, and for many years she led the world. British business men have accumulated a vast experience and a high tradition, and there are no finer workers in the world than the British labourers, especially in the North of England, and I believe that the solid conscientious thoroughness of their workmanship has more survival value than that of America. So we will consider in barest outline the organization of Capital in Great Britain.

### ***4. Great Britain.***

In Great Britain the employers in most of the great industries are closely associated in The Federation of British Industries (referred to as the F.B.I.). It is important to realize how great is the pressure which this Federation is able to bring to bear on party politicians. The *New Leader* of October 12, 1923, describes the F.B.I. in an article which I have summarized as follows—

- (i) It is a combine of combines—mainly in metal, textile, electrical, and general engineering groups. Armament groups are prominent. Railways are represented by their President, Sir Eric Geddes.
- (ii) In the House of Commons 66 members. Seventy

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members of the House of Lords are directors of firms belonging to the F.B.I.

- (iii) At the end of 1919—three years only after its foundation—there were 18,000 firms in it, with a combined capital of £15,000,000,000. It employed over 4,000,000 workers, i.e. one-third of the whole number of industrial workers.
- (iv) Its object, 1916: "To bring the industrial interests of the country into closer touch with the Government."
- (v) Its "reconstruction programme": "Profits must not be taxed. Wages must be reduced." In February 1921 Excess Profit Duty was abolished. In 1922-23 Income Tax was reduced.
- (vi) The President in 1920 said: "High profits are at once the fund from which all plant and working capital can be increased, and also the greatest incentive to development."
- (vii) Its policy in 1921: "Either an increased efficiency of labour in proportion to its remuneration, or decreased remuneration without a decrease of efficiency"—i.e. More work for the same wages, or less wages for the same work.

In 1922 it put its object even more clearly as "a lower standard of living than that which prevailed before the trade depression set in, or even than pre-war standard."

In 1921 and 1922 it got its way. Wage reductions amounting to £10,200,000 a week were made, according to the official figures of the Ministry of Labour.

In the present Parliament, elected on November 5, 1924, Capital is strongly represented. To quote from the pamphlet, Labour White Papers, No. 6, *Labour and Capital in Parliament*—

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“ The total number of Capitalists (in the new House of Commons) actually connected through their directorships with capitalist industry and land is 214.”

“ The total number of companies they represent is 509. The railway combines each have at least one representative ; so has the London traffic combine. The Big Five Banks, with the exception of the Midland, are represented, and Grenfell—of Morgan, Grenfell, the Anglo-American financiers—is there to see that the ‘ City ’ interests are voiced.”

“ In all there are 214 members representing 509 companies. There are 50 M.P.s who at the date of the General Election were connected with the F.B.I. In the year 1922 there were 255 company directors or land-owners in the House of Commons, and 272 company directors in the House of Lords. Taking the trades most concerned in keeping down the price of coal, we have M.P.s connected with these trades in the following numbers :—

Coal, Iron and Steel	..	..	..	18 members
Engineering, Shipbuilding, Metals	..	..	..	42 members
Chemicals	..	..	..	12 members
Gas, Water, Electricity	..	..	..	44 members
Shipping	..	..	..	19 members

135 members”

Now it would not be fair to suggest that these men would always put their business interests before their patriotism. But it is certain that many of them may consider that they serve their country best by making their business prosperous ; and that they will conscientiously oppose any attempt to transfer public utilities from private to public hands. Their bitter opposition in Committee to the new Electricity Bill,

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and their refusal to carry out the Recommendations of the Royal Commission, 1925, on the National Ownership of the Minerals, fully justify us in the belief that very powerful economic forces are controlling the political machine. And the failure, twice repeated, of a Government to put into practice the recommendations of a Royal Commission of their own creation, the refusal to give information about the organization of companies dealing with the products of coal, and their general secretiveness fully justify the miners in a profound distrust of the present Government (1926).

I happened to be lecturing to a group of business men in Wall Street, New York, on Guild Socialism on the day when the results of the British General Election became known, and I spent an hour on the Wall Street Stock Exchange watching the frenzy of a "bull" market—thousands of millions of dollars liberated in a few hours; and no one who saw it could doubt the close connection of British and American Capitalism, and the immense power of international financiers in controlling the world's credit, and the terrific pressure of economic forces on the party politicians.

These represent the active army of Capitalism in the Class War: a small group of International Financiers, numbering about fifteen, in London and New York; a larger group of men who control the vast rings, trusts and combines in America, Germany and England; an army corps of directors of companies and their managers and a syndicated Press. But beyond these organized forces of Capital there is the innumerable company of shareholders, or "absentee owners"—a reserve army whose interests are most closely allied with the operations of the active army; in fact, one might say whose "interest" is entirely dependent on

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these activities. We must now consider the Reserve Army and the irregulars.

### *5. The Reserve Army.*

Under the present monstrous system of Profits to Capital, and since the introduction of Limited Liability Companies, the active army of Capitalism has been reinforced by a vast reserve army of shareholders, who are, in the admirable nomenclature of Thorstein Veblen, "Absentee Owners." They invest their money in some enterprise of which they do not know either the nature, locality or land ; they get 5 or 6 per cent. and are happy. They do not know what wages are paid or in what way the Directors may be grinding the faces of the poor in order to pay their dividend. They are absolutely impotent to influence the policy of the undertaking. It is this vast army of shareholders who are shock-absorbers in violent explosions, and a steady, impenetrable, solid mass of voters who support a Capitalist attitude in the Nation's life. Their income is dependent on keeping things as they are. If only the truth can penetrate through the thick layers of cotton-wool of convention in which their souls are encased, they will in large numbers prefer justice to dividends. During the great Railway Strike, under the inspiration of Miss Wilson Wilson, we issued an appeal to Railway Shareholders asking them to sign an enclosed Declaration that they wished to receive no dividend at all until they were assured that the workmen were well paid. It was my duty to see the replies ; and we were profoundly moved by the thousands who signed with eagerness, and by the letters received, often from ladies of very slender income, who said that they would sooner go without food themselves than profit by the injustice



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done to underpaid employees. I am convinced that there is a vast store of moral righteousness at the heart of our nation's life and of that of America, but the immensity of the soulless machines of International Combines stifles the individual conscience into silence or drugs it into insensibility.

But though each "Absentee Owner" might be on the side of Justice and Righteousness if the truth could penetrate to his conscience, he forms a dangerous element on the side of Capitalism, as he is so easily stampeded on the eve of an election by the skilfully arranged panic methods of a syndicated Press.

Behind the shareholders who "live by owning" there are the salariat—the immense army of clerks and those in receipt of salaries whose life of entire dependence on their employers does not encourage independence of thought, and in England, but not in America, the deadly influence of caste which is nourished in our great public schools (boarding schools, which in America would be called private schools to distinguish them from those of the State) and ancient Universities, and the Army and Navy, and the House of Lords. It is worth while to devote a separate section to a sketch of the way in which some of our educational institutions unconsciously create a "caste" with a closed mind on social realities.

### *6. How a Caste Mentality is Created.*

There is no point on which American life is more superior to English life than in its high estimate of Labour; and this respect for Labour has great economic consequences. In England the whole of our national life is stratified and classified by class distinctions which often assume the rigidity of caste. And this "caste" distinction is so deeply rooted in the mind that it is

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almost an axiom of thought. It is taken for granted in such a way that it has acquired a religious sanction, and it is looked on almost as a blasphemy to challenge it. The "poor" take it for granted as much as the "rich." It is a part of our conventional religion, though it is a direct denial of our Christian Faith. It is even enshrined in our most widely used hymn-book, *Hymns Ancient and Modern*, which has preserved through many revisions this gross perversion of the truth—

The rich man in his castle,  
The poor man at his gate,  
God made them, high or lowly,  
And order'd their estate.

This blinding falsehood is one of the ways in which the moral sense of our nation is perverted. For if it is sinful to neglect to worship God and to fail to reverence moral worth, it is still more sinful to pervert the values and to reverence what is contemptible. The respect paid to what is not respectable is a form of unconscious devil-worship—"evil, be thou my good." So in English life to-day, when Plutocracy struts about in the garments of a Feudalism long since dead, there is a very grave perversion of moral values. It requires plain speaking to cure us of this disease, and though one is reluctant to cause pain, nothing but a surgical operation will restore our moral valuation to health.

It may be well to illustrate this point in detail. Consider the habitual insolence with which some "moneyed" persons still speak of the poor. I am not referring to occasional spiteful outbreaks such as the venomous vulgarities of Dean Inge, but to the habit of some who are otherwise gentlemen in referring to the poor as "the lower orders."

To take another example. Some smart politician

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named the legitimate relief given to the unemployed "the dole," and this nickname has been universally adopted. But it is a gross insolence to the poor. By a long process of injustice the more powerful classes have robbed the labourer of his land. (For full details of this read Hammond's *Village Labourer* and *Town Labourer*, two most valuable books.) They have taken from him his opportunities of education; and those scholarships founded by the piety of past generations for the education of the poor have now become a perquisite of the rich. They have left to the landless labourer nothing but his labour-force to sell as a commodity; and when by their own lack of prevision and mismanagement of the Nation's industry they are unable to provide work for a million and a half of their fellow-countrymen, they have no right to insult their victims by calling the scanty provision for his maintenance "the dole." When in a sermon I protested against this insolence, and said that the dividends paid to many of the "unemployed" rich men were much more of the nature of a dole, one lady who "lived by owning" was much offended. But years ago, in 1795, Burke reminded the wealthy that they were "the pensioners of the poor" (*Thoughts on Scarcity*, p. 83). "It is not only so of the State and statesmen, but of all the classes and descriptions of the rich—they are the pensioners of the poor, and are maintained by their superfluity. They are under an absolute, hereditary and indefeasible dependence on those who labour and are miscalled the poor."

Or, again, those exceedingly offensive expressions, "He is well born," which has no reference to successful obstetrics, but means that his parents were wealthy; "moving in good society," which has no reference to goodness or virtue, but only means that his balance at

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the bank admits him to the most dangerous section of the "unemployed," many of whom are parasites who prey upon the industry of our country and often squander the fruits of other men's labour on their pleasures or their vices. The fixity of these "caste" distinctions is often manifested by the use of the words "the working classes" or "the lower orders," and even the word "gentleman" is sometimes used without any reference to its real meaning, "one who is gentle," and means "one who lives on the labours of others," a member of the "moneyed" class. I once heard this phrase used accidentally by a real nobleman. During the War one lord who has won the universal love and trust and admiration of all honest men because he is the fearless champion of the poor and applies his sincere Christian beliefs to his social relationships, was invited to lecture to the Fabian Society, and gave us a lecture which was halting in its delivery but most admirable in its tone, frequently alluding to "doing good to the poor," offering to surrender his land to-morrow if he were convinced that it would "do good to the poor"; but that he was not yet convinced of this. After the lecture, George Bernard Shaw, our President, led off the discussion, and challenged this phrase of "doing good to the poor," saying that if the wealthy would get off the backs of the poor and set them free, the "poor" would do good to themselves. The noble lord rose to answer, and began by saying in a most good-humoured way that he didn't know what Bernard Shaw meant by telling him how to speak of the poor; for twenty years he (the noble lord) had represented in the House of Commons a constituency of seventeen thousand working people—"entirely working class; there wasn't a gentleman among them!!!" At once a wounded soldier in the

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audience just returned from the front in France jumped to his feet and asked, "Will Lord Henry kindly tell me whether he considers that I am a gentleman?" The noble lord fixed in his monocle and courteously said that he didn't understand the question. The wounded soldier repeated it more fully; and at once received most graceful and ample apologies, the lecturer explaining that what he had really meant was that "there was not one man of leisure amongst them." And so at least one unintentional wound was healed.

This amusing incident will suggest both the good and the bad aspect of the "caste" system. Several strains are mingled in it. Among a few families who bear honoured names the best traditions of Feudalism still survive—honour, courage, courtesy, patriotism, and a keen sense of duty to all dependent on them. In so far as this patriarchal, paternal or family idea survived in Feudalism it was not anti-Christian. But when this "elder brother" attitude hardened into a caste distinction it became distinctly anti-Christian; for there is no "caste" in the family of God. In the economics of the Kingdom of God there can be no caste distinction such as that implied by the phrases "Labour," "working class," etc. The terrific force of this idea, which still survives in English life, that there is one class of leisured persons and another "working class" whose duty it is to wait on and serve the leisured people, may be seen by a simple experiment. Harassed hostesses are sorely troubled to-day by the "servant problem." In every drawing-room ladies pour forth their grievance that it is impossible to get and keep servants. If one were to ask, "Why don't your own sons and daughters go out as servants?" the suggestion would be looked upon as an insult of the most outrageous kind. But this dis-

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tion is unknown in America, where I have known University Graduates with high honours acting as waiters on trains and advertising for and obtaining a post as gardeners and chauffeurs, while they tutored the boys so as to raise funds for their Seminary Course in preparation for the priesthood.

Some of us hoped that the sale of titles, which caused such scandal that a Royal Commission of Honours had to be appointed, would have buried the decaying corpse of Feudalism. But it has not done so. The letter appointing the Commission is most illuminating and will interest American readers. It is addressed to—

“ Our Right Trusty and Well-beloved Counsellor Andrew Graham, Baron Dunedin, Knight Commander of the Royal Victorian Order.

“ Our Right Trusty and Right Entirely Beloved Cousin and Counsellor Victor Christian William, Duke of Devonshire,” and three lines of other titles.

“ Our Right Trusty and Well-beloved Counsellor Thomas Baron Denman,” and two and a half lines of titles.

And then, in naked simplicity—Arthur Henderson, and so on.

It was a very cautious Report. It says (p. 4, § 2) : “ The terms of reference clearly directed us to provide for the future rather than investigate the past.” It exonerated the Prime Minister and Patronage Secretaries from any suspicion of direct sales. It adds (p. 9, § 21) : “ Nevertheless there is no doubt that there have been for some time, and recently in increasing numbers, persons who, for want of a better name, we may stigmatize as ‘ touts,’ who have been going about asserting that they were in a position to secure honours in return for specified payments.” Arthur Henderson rightly refused to sign the Report for reasons given,

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among which were these : " I regret that though the Commission were in possession of the names of persons who are conveniently and appropriately described as ' touts,' none of them were invited to give evidence. Nor was any person who had been approached by ' touts ' called to give evidence before us, though the names of such persons were also before the Commission. The omission . . . has left unexplored one of the gravest abuses concerning the nominations for honours."

This Commission is referred to here as an example of the intensity of Class Solidarity, which will not allow the light of day to shine on those illusions of honour which still deceive many sections of our nation.

But the real strength of " class " mentality is to be found in segregation in education. Dr. W. H. R. Rivers, in one of his brilliant lectures on *Psychology and Politics*, p. 24, explains the working of Defence Mechanism, and applies it to the red-tape methods in the War Office, where a whole machinery of reference through a dozen departments " for information," " for comment," " for suggestion," provide a shield for officers who are conscious of their inability to deal with some problem which confronts them. It is typical of much in English life. People live behind screens of conventions, of polite answers which conceal real feelings, of forms of words which are convenient but untrue. Our preparatory and public schools (boarding schools) train a boy from his earliest years in class mentality and surround him with the strongest suggestions that he is of different flesh and blood from the poor, whose sons wait on him from the age of ten years onward. These schools equip him with polished surface manners, with a readiness to play the game and many a fine virtue. But they separate him by habite which become second nature from his

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fellow citizens who are in poorer circumstances. And by the time he has gone down from one of our ancient Universities he enters on life with a closed mind on social matters and a blind adherent of the Capitalist class.

It is very different in America, which has no leisured class and honours the labourer more than the parasite. The difference is admirably described by Professor Hugo Münsterberg. He writes (p. 321): "More important than the economic prosperity of the American working man, though not wholly independent of it, is the social self-respect which he enjoys. The American working man feels himself to be quite the equal of any other citizen, and this not merely in the legal sense. This results chiefly from the intense political life of the country, and the democratic form of government which knows no social prerogatives. It results also from the absence of social caste. There is a considerable class feeling, but no artificial lines which hinder any man from working up into any position. The most modest labourer knows that he may, if he is able, work up to a distinguished position in the social structure of the nation. And the most important thing of all is probably the high value put on industry as such." "When a nation, on the other hand, believes in the intrinsic worth of industrial culture, then the labour by which a man lives becomes a measure of his moral worth, and even intellectual effort finds its immediate ethical justification only in ministering to the complex social life; that is, only so far as it is industry.

"Such now is the conception of the American. Whether a person makes laws or poetry or railway ties or shoes or darning needles, the thing which gives moral value to his life's work is merely its general usefulness.



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In spite of all intellectual and æsthetic differences, the most important element of activity is common to all, and the manual labourer, so far as he is industrious, is equal to those who work with their brains. On the other hand, the social parasite, who perhaps has inherited money and uses it only for enjoyment, is generally felt to be on a lower plane than the factory hand who does his duty."

Now I believe it will have to be recognized that it is undesirable and impossible to abolish associations among men. Men of certain kinds of education, culture and intellectual pursuits create around themselves and within themselves a certain universe of thought, habits of speech, uses of words, play of sarcasm and irony, and a code of social ethics, all of which are either meaningless or misleading to the manual labourer, who has created his own universe of thought, habits and codes. Without classifying either as higher or lower, the fact is that the two mental universes are very different, so that each person drawn from one mental universe and planted in another suffers much discomfort. The presuppositions which lie behind all social intercourse are entirely different. As long as men specialize in any trade or branch of learning they will inevitably be drawn to associate with those whose presuppositions and habits of thought are similar to their own—engineers to engineers, theologians to theologians, and scientists to scientists, and so on. This is not only inevitable, but most desirable. It saves us from that dead level of sameness and monotony which would make a standardized humanity an abiding horror. At the Co-operative Bakery at Leicester a girl whose duty it was to remove loaves of bread from a moving platform fainted away after an hour of this work. To see thousands upon thousands of loaves of

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bread, all the same colour, all the same shape, each at the same distance from one another, marching in an endless procession, morning, noon and night, all silent, all helpless, was too much for this girl's nerves. So it would be if we attained a standardized humanity. Men would cease to progress : it is the survival of successful and useful variations which makes progress possible. The ideal of God's family, the co-operative commonwealth of nations, is not a bullet-mould but a flower garden. So, while we aim at equality as a divine principle, it must be interpreted as equality of opportunity, and not sameness of attainment, which latter is the peril of mass production in America, with its passion for mass movements, mass cheering, etc., while the fixity of " caste " is the curse of England. Universal free education from the infant school to the University, the exaltation of industry, the degradation of idleness, the absence of privilege, the abolition of titles, would all help England to cleanse herself of " caste."

But while social classes are for the reason given inevitable, this need not involve class war if the wages system were abolished and the rewards of labour justly distributed.

### *7. Two Ways of Trying to Abolish the Class War.*

1. *Communism.*—I will not attempt to analyse Communism here. For after a most diligent study I cannot believe that it has any future. It is based on those same false principles which make Capitalism so repulsive : a Materialistic interpretation of the Universe, belief in physical force, in terrorism and the appeal to fear, the denial of freedom, the tyranny of a bureaucracy, the cultivation of class hatred. Now all these are negative, and you can no more construct

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society on Force, Fear and Hatred than you can produce a positive by multiplying the figure naught. And as Mr. Lloyd George has well said : " Hatred is like a recurring decimal ; you may spend the end of your days in writing its figures, but as you go on each figure becomes more valueless. It ends in madness, and sensible people cut them at the very start with full stops put in a conspicuous place " (*The Manchester Guardian*, June 7, 1926). Karl Marx was a great prophet, and his writings are inspired with a fine passion of pity for the poor and flaming demands of justice for the oppressed ; but *Das Capital* was written only three years after Darwin's *Origin of Species by Natural Selection*, at a time when Science was dominated by Chemistry and Physics, before Biology and its kindred group of sciences had taught us the methods of evolution. Before 1860 the tendency of science was towards materialism, mechanism, a determined universe, and explosive, catastrophic methods of change. Since 1860 its tendency has been towards a spiritual interpretation of the Universe, the method of growth, of progress by trial and error, the element of contingency, the gradual transition, continuity and subjective selection modifying the tyranny of environment.

This change of thought in science is reflected in social thinking, and the catastrophic methods of Russian Communism, based on Force and Fear and the denial of Freedom, do not commend themselves as a truly scientific method of social evolution. They are the natural reaction to the cruel tyranny of the regime of the Tsars. They take the basal principles of Capitalism, materialism, force, necessity, and reverse their operations ; but in my judgment they are merely the disease of Capitalism, a cancer on a leper, and have no abiding

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validity as a social philosophy. They aim at the destruction of the idea of God, and, as we have maintained, when belief in God dies human values decay and perish. They seem to be based, as the writing of the classical economists were based, on a false philosophy of the Universe, and a false or inadequate idea of psychology, and whenever a social philosophy ignores or perverts fundamental human instincts it has within itself the seeds of its own destruction. The experiment in Russia, with its doctrinaire methods, its collectivist principles, and its rapid reintroduction of Capitalism, does not encourage nations born to freedom and trained in self-government to follow its example.

2. *Evolutionary Socialism*.—As opposed to the method of violent revolution there is the method of evolutionary socialism, which seems to us far more scientific and in harmony with the principles of historical development. Each stage of social and economic life—the Family, the Patriarchal, the Tribal, the Feudal, and the Industrial or Capitalist method—is seen to emphasize or over-emphasize some principle of social development. Within each form its successor is gradually prepared to take its place; then, with the decay of the parent and the pangs of child-birth, the new form of social organization becomes dominant, retaining in itself many inherited features of former stages and only partially realized at any one time or place. The idea of a mechanical succession as in a chain, where link follows link in regular order, is not true in history, that is, in the experience of mankind. As the colours of the rainbow fade by imperceptible shades into one another, with no hard outlines, and all are synthesized in the white light of the sun from which they drew their being, as the darkness gradually yields to the dawn and the full light

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of day, so man experiments with various social and economic arrangements, and by trial and error and manifold adventure is working out the Purpose of God, and moving toward that time when the Kingdoms of this World will become the Kingdom of our Lord and of His Christ.

So, while the vastness and soullessness and power and tyranny of Modern Capitalism is terrifying and almost drives one to despair, those who believe in God and human nature are convinced that this inhuman system cannot last, and are hopefully at work on those modifications which will make a peaceful transition to a just and rational order of society possible. Some of these efforts will be described in the next chapter. We will conclude this by reminding our readers that in the recent Coal dispute in England the idea of the Class War was not confined to the leaders of the men. One lord gave expression to the Class War in a violent speech at a meeting of the City of London Conservatives, as reported in *The Times*, July 26, 1926. "We have made a great outcry lately, owing to the Soviet Government sending money to the miners, but we did precisely the same thing through Poor Law relief. We feed the wives and children of the miners, and the miners themselves, through poor relief. The Prime Minister has told us not to cherish malice and vindictiveness. They are not British characteristics. But while the miners are our enemies we should not feed them. We did not feed the Germans, and I cannot for the life of me see why we should feed the miners." He certainly expressed the average mentality of his fellow Conservatives, such as it is, who think in terms of force and war, and imagine that they can starve their poorer fellow countrymen into submission. This misguided but successful merchant

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in this after-dinner speech has done grievous harm in fixing the Class War in its most odious form upon our industry. We see the same ideas in the opening sentence from an article in the *Observer*, August 22, 1926 : " The main seat of war in the coal stoppage is once more transferred from London to the coal-fields themselves." The Class War is a reality.

Christians are hopefully striving to establish peace. But others are not so hopeful. Some men almost despair, as in the following extract from Bertrand Russell's *Prospects of Industrial Civilization*, in which he pleads for moral progress to save us from despair—

" Until men realize that warfare, which was once a pleasant pastime, has now become race suicide, until they realize that indulgence of hatred makes social life impossible with modern powers of destruction, there can be no hope for the world. It is moral progress that is needed : men must learn toleration and the avoidance of violence, or civilization must perish in universal degradation and misery."

" This old order is no longer capable of bringing happiness. It is not only its nominal victims that suffer ; it is not only the defeated nations or the proletarians who find that life has lost its meaning. Even the well-to-do classes of Western Europe have no longer the sense of anything to live for. Having no purpose in life, they have plunged into a frantic pursuit of pleasure. But with every added pleasure comes added unhappiness ; while the senses are gratified the soul remains hungry—there is no inward sense of well-being, but only fatality and despair.

" There is only one cure for this despair, and that is a faith that a man can believe. No man can be happy unless he feels his life in some way important ; so long

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as his life remains a futile round of pleasures or pains leading to no end, realizing no purpose that he can believe to be of value, so long it is impossible to escape despair. In most men at the present time this despair is dumb and unconscious, and because it is unconscious it cannot be avoided. It is like a spectre always looking over a man's shoulder and whispering acid words into his ear, but never seen, never looked at face to face. Once acknowledged, once faced, this despair can be coped with, but it can be coped with only by a new belief, by something which supersedes the search for pleasure. Although it may sound old-fashioned to say so, I do not believe that a tolerable existence is possible for an individual or a society without some sense of duty.

"There is only one kind of duty that the modern man can acknowledge without superstition, and that is a duty to the community. There was a time when such ideals as God, country, family could move men. That time is past. . . . Socialism is, I believe, the only faith which can restore happiness to the world, which can cure it of the sickness left by the War, which can give men the sense that their lives are capable of something better than pleasure and can end the despair that drives men to frivolous cruelty."

## CHAPTER V

### CAPITAL AND LABOUR

#### I. A CHANGED MIND.

It is interesting to notice that there is a general movement of thought among men of good will which holds out the prospect that the Class War may be stopped in time to save us from universal ruin.

In connection with the great strike of 1919, the light penetrated to the soul of a Conservative leader, Lord Robert Cecil, who spoke thus in an address to American journalists, reported in *The Times* of October 10, 1919—

“Mr. Harry Gosling has said in very emphatic language that the real substance of the demand of labour is that they shall be raised from the status of employees to the status of partners. I believe that is profoundly true and really touches the spot. It is not a question of wages or conditions, but a demand that the status of labour shall be changed in the industrial organization. As far as I personally am concerned, I accept it and welcome it. I believe it to be an accurate diagnosis of the disease. I hope that in this country and in others there will be a frank and generous acceptance of the soundness and justice of the central principle.”

And again, in a speech to the Centre Party (*The Times*, August 8, 1919), he said—

“Guild Socialism, if by that is meant a system by which all those who are engaged in industry are to be sharers in the management, has much more to be said



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for it in my judgment." He favours "giving a man a larger share of the management and a direct share in the profits."

To show that this hope is not merely a dream of politicians, but has a sound basis in economics, I will add two notes from the writings of John Stuart Mill.

1. "I look forward to a time when the rule that they who do not work shall not eat will be applied, not to paupers only, but impartially to all; and when the division of the produce of labour, instead of depending in so great a degree as it now does on the accident of birth, will be made by concert on an acknowledged principle of justice; and when it will no longer either be, or be thought to be, impossible for human beings to exert themselves strenuously in procuring benefits which are not to be exclusively their own, but to be shared with the society they belong to" (*Autobiography*, 1873, p. 133).

2. "The form of association, however, which if mankind continues to improve must be expected in the end to predominate, is not that which can exist between a capitalist as chief and workpeople without a voice in the management, but the association of the labourers themselves on terms of equality, collectively owning the capital with which they carry on their operations and working under managers elected and removable by themselves" (*Principles of Political Economy*, 1848, p. 465).

But it is not merely politicians and economists who see that the war between Capital and Labour is as needless as it is ruinous. There is an ever-growing consensus of Business men who bear witness to the same truth—that the interests of Capital and Labour are one, and that the purpose of industry and commerce

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is not the private profit of the individual but the service of the nation and of the human race.

Mr. W. L. Hichens writes thus in his book, *Some Problems of Modern Industry*—

“ The great problem of life is to reconcile the contradiction between our social and our individual interests, and it is according as their citizens succeed or fail that States rise to greatness or decay ” (p. 21).

“ No man can serve two masters. He cannot serve himself and the community, for then the kingdom would be divided against itself ; he can only serve himself by serving the community ; and this is surely the only sound foundation on which industry can rest. If we are ever to solve this great industrial problem, it can only be by recognizing that industry is primarily a national service, and that the object of those engaged in it is first and foremost the good of the community as a whole ” (p. 22).

“ No one is really satisfied with the ideal of purely individual salvation, either here or hereafter, as the final motive of conduct ” (p. 24).

“ Unless industry is really recognized as primarily a national service, in which each individual is fulfilling his function to the best of his ability for the sake of the community, in which private gain is subordinated to public good, in which, in a word, we carry out our duty toward our neighbour—unless we build on this foundation there is no hope of creating the House Beautiful ” (p. 27).

“ I think it follows that no business is entitled to make unlimited profits ” (p. 38).

Mr. John D. Rockefeller, Jr., in the Introduction to his pamphlet, *Representation in Industry*, Address before the War Emergency and Reconstruction Conference of

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the Chamber of Commerce of the United States, Atlantic City, N.J., December 5, 1918, describes it as "a plea to leaders of industry to meet the industrial problems of reconstruction in a spirit of co-operation, justice, fair play and brotherhood. . . . Common welfare, not class warfare, is its underlying thought" (Introductory Note). And the first three articles of his Industrial Creed he gives as—

1. I believe that Labour and Capital are partners, not enemies ; that their interests are common, not opposed ; and that neither can attain the fullest measure of prosperity at the expense of the other, but only in association with the other.
2. I believe that the community is one essential party to industry, and that it should have adequate representation with the other parties.
3. I believe that the purpose of industry is quite as much to advance social well-being as material prosperity ; that in the pursuit of that purpose the interests of the community should be carefully considered, the well-being of employees fully guarded, management adequately recognized, and Capital justly compensated, and that any failure in any of these three particulars means loss to all four parties.

These quotations could be indefinitely increased if space permitted. The War has awakened men's consciences to the necessity of co-operation in industry. We may now proceed to examine our terms and to place on record a brief analysis of a few of the experiments and proposals which have been made with a view to ending the Class War.

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## II. FACTORS IN INDUSTRY.

Since the time of Ricardo most English economists have discussed Industry chiefly under the dichotomy of Capital and Labour. But the French economists have followed a contemporary of Ricardo, Jean Baptist Say, in discussing the subject under a threefold division—Capital, Entrepreneur and Labour. (Accepting the translation approved by Monsieur Gide, I will use the word “Employer” as the nearest we can get to the meaning of “Entrepreneur.”) I think there are many reasons for adopting this threefold differentiation. It will save men from the common and disastrous fallacy of equating Capital and Labour, and it meets the immense differentiation and development of finance. For the employers of labour are a different class from the financiers. This distinction will make it easier to state the most hopeful suggestion for the future organization of industry on co-partnership and co-operative principles.

But before we entirely abandon the twofold division, which is out of date, it may be well to point out that one of the reasons why there can be no peace in the industrial world is that a falsehood lies at the root of nearly all discussions on the subject ; and human society will be feverish and inflamed as long as this falsehood is there. Its fever and inflammation is the protest of a healthy body against the presence of that which will destroy its health. This falsehood is a crack in the foundations which quite inevitably must show itself in the superstructure, and ultimately bring the building to ruin. The falsehood I am describing is the absolute equation of Capital with Labour. I call it a falsehood instead of a lie, because I believe fixed habits of thought make many men unconscious of the fallacy ; but some

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must be aware of the utter falseness of this equation. Let us take one illustration.

*The Coal Dispute.*—A shareholder twenty years ago invested £100 in a British coal-mine. During the War he received enormous profits which repaid his capital again and again. Since the War the Royal Commission reports a 10 per cent. average profit in these lean years. He has invested these immense profits in one of the many coal by-product companies—gas, coke, tar, anthracene pitch, oil, ammonia, benzene, carbolic acid, solvent naphtha, creosote, and many others. Now originally he only lent £100, which he presumably had saved, to the coal industry. He did it by his banker or stockbroker. Quite possibly he does not even know where the coal-mine is situated in which his superfluous £100 is invested. This £100 is simply one hundred pieces of dead metal. No pound has a wife or children or hopes or fears or desires or needs. So here is the extent of his interest in the coal-mine. He is glad to get his 10 per cent. from the coal-mine. He is still more glad to receive his 30 per cent. from the coal by-product company. But his only ambition is to keep the price of coal as low as possible, which will increase his profits from the by-products. From beginning to end it is a purely cash investment.

In contrast to this the coal-miner invests all his personality in the coal-mine. His body, with its strength of muscle and skill of hand, his mind, his heart, his will, his wife, his children, his home, his hopes, his fears. If by the mismanagement of those who employ him the mine has to be closed, he is temporarily ruined. Every day he faces the risk of his life. Every day in the past three years three miners have been killed, and ten times that number disabled for a time by accidents, some

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maimed for life. Before his share of the product of his labour can be paid him a toll of 3s. 8d. a ton has to be paid in those scandalous royalties and under-surface wayleaves which have no justification either in reason or morals. In the evidence before the Sankey Commission, 1919, it was revealed that the following were among the annual incomes from royalties in the mining industry: The Marquis of Bute, £115,772 a year; the Duke of Hamilton, £115,000 a year; Lord Dunraven, £64,370 a year, etc.

Now the contrast between Capital and Labour will be manifest. Capital is dead coin. Labour is living personality. The Capitalist invests his superfluous cash. The Labourer invests his all—his whole life of body, soul and spirit; past, present and future; himself, his wife and children. So we must challenge every attempt to equate Capital and Labour.

For example, in Co-partnership and Profit-sharing schemes let us watch these words carefully. In the introductory address with which the Dutchess Bleachery Scheme at Wappingers Fall, U.S.A., was commended to the workers, the proposal that half the profits should go to the shareholders and the other half to the workers was explained in these words: "Then Capital will get what it earns, and Labour will get what it earns." This is, of course, quite an inaccurate use of words. Capital "earns" nothing; it neither works, nor worries, nor suffers; it is a dead thing. It deserves its original market price, but no more. Any increase of profit and all value is created by skill and wisdom in the management, and energy and industry in the labourers. Mr. Rockefeller, Jr., uses other phrases in *Representation in Industry*—"a fair return upon money invested" (p. 6), "reimburses Capital for its advances" (p. 8), "Capital

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justly compensated " (p. 26). If these are interpreted as the market price of money, plus a marginal allowance for risk, they will support the scheme I will shortly outline.

We have seen the expansion of the twofold division of factors in industry—Capital and Labour—of Classical British Economists into the threefold division of Jean Baptist Say and the French Economist Gide, into Capital, Entrepreneur or Employer, and Labour. But Mr. Rockefeller expands this into a fourfold division, which will commend itself as just and right (*Representation in Industry*, p. 7)—

" *Who are the Parties to Industry?*—The parties to industry are four in number ; they are Capital, Management, Labour and the Community.

- (i) *Capital* is represented by the stockholders, and is usually regarded as embracing Management.
- (ii) *Management* is, however, an entirely separate and distinct party to industry—its function is essentially administration ; it comprises the executive officers, who bring to industry technical skill and managerial experience.
- (iii) *Labour* consists of the employees. Labour, like Capital, is an investor in industry, but Labour's contribution, unlike that of Capital, is not detachable from the one who makes it, since it is in the nature of physical effort and is a part of the worker's strength and life. Here the list usually ends. The fourth party, namely, the Community, whose interest is vital, and in the last analysis controlling, is too often ignored.
- (iv) *The Community*.—The Community's right to representation in the control of industry and in

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the shaping of industrial policies is similar to that of the other parties. Were it not for the Community's contribution in maintaining law and order, in providing agencies of transportation and communication, in furnishing systems of money and credit, and in rendering other services—all involving continuous outlay, the operations of Capital, Management and Labour would be enormously hampered, if not rendered well-nigh impossible. The Community, furthermore, is the consumer of the products of industry, and the money which it pays for the product reimburses Capital for its advances and ultimately provides the wages, salaries and profits that are distributed among the other parties."

### III. THE JUSTIFICATION OF INTEREST.

Aristotle asserts that the natural riches of all men arise from fruits and animals, and condemned usury. "For usury is most reasonably detested, as it is increasing our fortune by money itself, and not employing it for the purpose for which it was originally intended, namely, exchange. And this is the explanation of the name 'tokos,' which means the breeding of money. For as offspring resemble their parents, so usury is money bred of money. Whence of all forms of money-making it is most against nature" (p. 19, 1258*b*, Everyman's Library Edition). Money is a dead thing and cannot breed. That is so, but Aristotle seems to overlook the fact that the dead thing can buy living things which can breed.

A and B each by labour have an income of £200 a year. Each spends £100 per annum on a standard of



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life. A spends his £100 balance on drink. B, who is a scholar, saves his extra £100 to use five years hence in a trip abroad for research work. A resolves to keep cows, and borrows £100 from B for five years, and with it buys five cows, which give birth to five calves. At the cost of pasturage and shed and milking apparatus he gets the milk and the calves for five years, and the sales for slaughtering. Is it right and just that at the end of five years he should return to B only the £100 he had borrowed? Is it not more just that he should pay some reasonable rate of interest for the use of this £100 which B had saved by abstaining from spending it? A keeps the profits for the milk, the calves, etc.

This illustration suggests these points—

1. That some Capital, not all, is the result of abstinence.
2. That such Capital deserves a just rate of interest as the reward of abstinence.
3. That a distinction must be made between "interest" and "usury."
4. That the Community which provides protection for the rights of private property must decide what that distinction between "interest" and illegitimate "usury" shall be, and what shall be the limits of accumulation of property in private hands.

It is often urged that the Mosaic Law forbade usury, and that the early Christian Fathers and the Mediæval Church condemned it. But the records of history do not suggest that these prohibitions were very effectual. Few would maintain that the Jews were conspicuous for their refusal to accept interest. Mr. G. G. Coulton, in his admirable book, *Five Centuries of Religion* (Cambridge University Press), p. 57, says: "Yet Popes and

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Prelates, as a rule, were among the steadiest patrons and protectors of usurers." In a footnote, Alvarus Pelagius, *De Planctu*, bk. ii, art. vii, c. . . ., the fifteenth-century Franciscan, in *Summa Angelica* (s.v. Usura, 11. 14), complains that usurers are protected by princes for the sake of gain "by a custom of immemorial antiquity, and by the tolerance of the Roman Pontiffs, more especially in those States which are directly subject to the Church." He goes on to point out that not even a Pope can legalize a thing like this, which is sinful in its very essence. The 1521 printer, perhaps scandalized by this free speech, has changed the *Papa non potest* of other editions to *Papa potest*.

"Popes regularly employed the International banking-houses of the day, with a singular indifference, as was frequently complained, to the morality of their business methods, took them under their special protection, and sometimes enforced payment of debts by the threat of excommunication" (R. H. Tawney, *Religion and the Rise of Capitalism*, p. 64, John Murray).

S. Thomas Aquinas distinguishes interest from usury (*Summa Theologica*, Part II, Q. 78, ii, Reply to Obj. 5, Dom. Edit., 1918, p. 336)—

"He who lends money transfers the ownership of the money to the borrower. Hence the borrower holds the money at his own risk and is bound to pay it all back. Wherefore the lender must not exact more. On the other hand, he that entrusts his money to a merchant or craftsman so as to form a kind of society, does not transfer the ownership to them, for it remains his, so that at his risk the merchant speculates with it, or the craftsman uses it for his craft, and consequently he may lawfully demand as something belonging to him part of the profits derived from his money."

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“ Interest differs from usury in so far as money is considered as production by reason of the social and economic circumstances in which we live to-day ” (*Catechism of the Summa Theologica*, p. 162, Burns and Oates).

But though it is worth while to quote S. Thomas Aquinas, his opinion must be placed in its historical surroundings. The problem of usury in his day was chiefly how to prevent money-lenders preying on the poor and on the vices and follies of young noblemen ; with us it is how to prevent international bankers ruling over the world.

From the point of view of Political Philosophy is not “ interest,” if adequately restrained by the community from excessive accumulation, by (1) legal limitation, (2) Death duties and Super-tax, eminently desirable ? The problem of Socialism is how to avoid the sterile uniformity of the Slave State, how to preserve the personal freedom of the individual which is essential to energy, initiative and industry. Man will not work or save without a sufficient motive. Without saving (abstinence) there is no fund for future or for new enterprise, and for the free play of experiment and invention. Above all, we must have as large a margin as possible of personal freedom so that leisure may be secured for education and the development of art and learning. This accumulation of personal property by extra exertion or by abstinence is best expressed by a fixed interest on loan, so that the borrower gets what he wants—capital with which to develop his schemes, and the lender gets what he wants—leisure to cultivate the higher values.

The real problem of the future is not how to abolish interest, but how to prevent it accumulating to a dangerous extent in private hands.

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### IV. THE CONTROL OF CAPITAL.

While interest on real savings by abstinence seems to be the best way of providing an automatic stimulant for indolence and for securing that margin of freedom essential to the full expression of personality, the same desire for freedom makes it essential to restrain the vast accumulation of capital in private hands ; for this control of credit ultimately establishes an economic tyranny as capable of abuse as the political tyranny of the Tsar, or the Communist tyranny of a Lenin, or the military tyranny of a Napoleon. We have seen that the mere frontal attack on Capitalism as carried out on Communistic principles does not seem to be a hopeful solution, because of its lack of a spiritual basis and its inadequate or inaccurate psychological analysis both of the spirit of business activities and of human nature. But there are many forces at work which are likely to dissolve the Capitalist system by transitional methods, which will save the world from the horrors of violent revolution, or of the war which is inevitable unless Capitalism as we know it is dissolved.

#### 1. *Capitalism instead of Labour as a Commodity.*

When we apply the principle of Justice to the distribution of the rewards of labour, five propositions emerge as worthy of the Economics of the Kingdom of God.

1. Capital, as the result of abstinence and saving, should be bought at a fair market rate. The Bank rate will give fairly accurately the normal price of money. A margin of risk must be allowed for experimental adventures in which the original

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capital may be lost. It will be purchased as a commodity and receive its just price and nothing more.

2. The profits from the business should normally be divided in equitable proportion among those who create the values by their labour of brain or hand.
3. But exceptional profits, beyond a liberal margin, due to a sudden need of the Community or to an accidental virtual monopoly as in the case of those first in the field in supplying a new need of the Community, should be taxed so that the Community will share in the value which its need partly creates.
4. All capital shares should be redeemable at will, or after a short period of years, by the workers, so that they may own the business in which their life and skill is invested.
5. A system of self-government should be worked out by which men would work under leaders indirectly chosen by themselves.

I have carefully considered and tried to provide in these propositions for the various instincts which are inherent in human nature, and which should find expression in industry and commerce. For example, in No. 1 it is essential to provide for the spirit of adventure, because this instinct to stake one's life on an adventure is innate in human nature. The first thing a man wants from his labour is that security of life and home which our present system so disastrously fails to give him. But when bare security is assured, his next need is adventure. A community which was satisfied with security would have struck an equilibrium with its environment, and would be side-tracked from the path

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of evolutionary progress, as apparently ants and bees have been. So it is important that the social system, after providing basic security for life, should encourage and reward the spirit of experiment and adventure which alone enable us to progress. Socialized capital in National and Municipal hands should seldom be used for doubtful experiments and adventure, because it is essential to the success of such experiments and adventures to have in them the conviction and enthusiasm of one who is willing to back his judgment against that of the Community by willingness to bear the cost of failure. Councils, Committees and Municipalities are rightly cautious and conservative, as the ratepayers pay the cost of failure. What is required is the encouragement of adventurous individuals who are sufficiently convinced to be willing to pay the cost of failure if their judgment is proved by events to be wrong, and who must be adequately rewarded if their experiment is so successful that the Community will take it over. That was done during the War by the Board of Inventions, and stimulated all the ingenuity of the nation to counteract the peril of submarine and aerial warfare.

No. 2.—The “ equitable proportions ” in a free market solve themselves. The group which fails to give a sufficient proportion to technical and managerial skill will suffer for it.

No. 3.—“ Exceptional profits.” No group should be allowed to exploit the need of the Community, because it is this need that is an element in the creation of exchange value. Labour alone does not create value. Some men labour hard at works which nobody wants, as in the case of unsuccessful authors and poets, etc.

No. 4.—The gradual redemption of capital shares by

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repayment will stimulate all but those who contribute service, as soon as, and not before, the desire of the workers to own their work is strong enough to ensure continued enthusiasm.

No. 5.—“ Indirect ” election of leaders seems to be desirable by such methods as Boards of Promotion, on which management and workers of every grade are represented. Direct election exposes men to the temptation of choosing the most facile speaker rather than the most earnest and capable leader. The high quality of character and ability of most of the Labour leaders in England shows that men have a wholesome instinct in choosing their own leaders. But before they are elected they are nominated or adopted by a Selection Committee.

### *2. Labour Shares.*

An admirable effort to realize the first three of these proposals has been made in New Zealand. Mr. Harry Valder, whose enthusiastic advocacy led the New Zealand Parliament to give legislative expression to his proposal, is the managing director of Ellis and Burnard, Ltd., saw-millers, who own three of the largest mills in the North Island of New Zealand. The inspiration for his scheme came from contact with the Maories. The essence of the scheme has been well expressed by Viscount Haldane, who said: “ One source of class-consciousness in labour is the exclusive domination of the owners of capital, who take all the profit after paying the minimum of cost. This would be abrogated if the principle were that of payment for services rendered. The owners of capital would be paid at the market rate for that capital—a payment proportionate to the risk run. This would leave the profits remaining to

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be shared between the management and the workers in proportion to the value of the individual services. The remuneration of management might have to be high, but it would be well worth while for the business as a whole to provide this. As to the wages, the trade-union standard would determine the minimum, the surplus would be divided among all services, except the owners of capital, who would have received their full reward." In the pamphlet, *Wanted! A Practical Solution for Britain's Industrial Problem*, by the Rev. Frank Harty and Harry Valder, July 1926 (1s.), and in an earlier paper, an address delivered at the Pan-Pacific Rotary Conference at Honolulu, May 1926, Mr. Valder makes these points, which will give in brief analysis the motive and method of his scheme: "The spirit of War has merely ceased for the time being to manifest itself on the battlefield, but still continues its deadly work on the very vitals of the nation—in our business life" (p. 5). "It is writ large on the face of history that in all human associations only those based on spiritual and moral foundations survive. To exclude ethics from national, social and industrial life is to court disaster." "A man must have a god—an ideal—which must possess him body and spirit, and that ideal must be righteous and just. The love of that ideal must be manifested to the world by service, doing unto others that which a man would have done unto himself" (p. 9). "In the long run it will be found as an eternal truth that no system which is ethically wrong can prove to be economically right. The first step, therefore, in any practical solution is to place property values in their right place. At present the reward for property contribution is the unlimited surplus profit, and that for service is a limited wage. Surely the right order



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should be that the reward for property, the material contribution, should be limited, and the reward for service, the human contribution, should be unlimited."

In this plan there are two classes of shares—

(1) *Capital Shares*—which entitle the holders to receive a fixed remuneration based on the current market value of money, and in addition to this a risk rate proportionate to the risk run.

(2) *Labour Shares*—which all contributors of service, from the managing director to the office boy, are qualified to hold in proportion to the degree of the service contributed.

These labour shares, for which the qualification is service, do not interfere in any way with the holding of the capital shares, as they have no nominal or capital value.

At the balancing period the procedure is that, after payment of wages, salaries, materials, hire of capital, and all other cost of production, the surplus profits, if any, after providing for the usual reserves, are divided between all the holders of labour shares in proportion to the number of shares held. The labour shares thus merely serve as counters for the division of the surplus profits and for a measure of control.

As Mr. Valder then points out: "There is nothing novel or revolutionary in the principle of the payment for capital. By far the larger portion of capital now invested in business is paid for on this principle, e.g. mortgages, debentures, loans, overdrafts and similar investments" (p. 12).

He asked: "Why should there be any difference in principles of payment for different classes of capital in a business—a limited rate for one class and an unlimited

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rate for another ? It is all used for the general purposes of the business, and if there be no distinction in use, why should there be any difference in the principle on which payment is based ? ” (p. 12). The answer is that there *is* a great distinction between capital lent to inaugurate a doubtful experiment, which may be lost if the experiment fail, and money lent to keep a going concern in going order. Also between capital hired for an industry of which the profits will not come for five or ten years, as in rubber plantation or afforestation. It is for this reason that private enterprise cannot take long views in industry, and that National Credit must take its place. Four or five Commissions in the last thirty years have recommended afforestation as a sound and urgently needed reform, which would provide employment for a million men and ultimately become a valuable asset. But private capitalists will not invest in a project which cannot bear profit for twenty years ; and so this great and urgent reform has been constantly postponed.

But the point would be met by the two-fold method of paying the original capital the normal price of money plus the risk rate until such a time as the workers choose to repay the capital originally hired.

The Companies Act of New Zealand (as in Great Britain) did not contemplate the contribution of service as a qualification for membership in a company. But in 1924 the Companies Empowering Act was passed, incorporated in and amending the Companies Act of 1908, which provides for the voluntary issue of “ Labour Shares ” under these conditions—

- (a) They shall have no nominal value, and shall not form part of the Capital of the Company.

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- (b) They shall be numbered consecutively, commencing with the number one.
- (c) They shall not be transferable except as provided.
- (d) They entitle the holders to attend and vote at meetings of Shareholders and to share in the profits of the Company or of its assets if wound up.
- (e) With exceptions mentioned in the Articles of Association, "the holders of Labour Shares shall have and enjoy all the privileges of other shareholders."

The "Arbitration Court to certify that the scheme is favourable to workers" before it becomes valid.

"If the holder of any Labour Shares ceases to be employed in the service of the company (whether by reason of death or otherwise), he shall be deemed to have surrendered his shares, and in such case these shall be payable to him or his legal personal representatives, as the case may be, either in cash or in capital shares, the value of those shares computed in accordance with the regulations of the Company."

The hypothetical balance-sheet given to illustrate the scheme applied to a coal-mining company, after providing for hire of capital, stores, timber, insurance, reserves, wages and salaries, sick pay, unemployment, superannuation, etc., divides the profits among the workers in the proportions as given on page 157.

If the profits happen to be £3,112, then each Labour Share will receive £1 dividend; so a miner of Grade A will get £25 in addition to his wages. If the profits happen to be £6,224, then each Labour Share will receive £2 dividend, and a miner of Grade A will receive £50 dividend in addition to his wages.

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This will, I hope, give a sufficient description of the plan which the Attorney-General, Sir Francis Bell, K.C.M.G., K.C., in introducing the measure, thus describes: "The Government desires that the experiment be open to New Zealand corporate bodies. The effect can only be ascertained by experiment, but there seems reason to believe that such a scheme as between the company and its employees will have an influence in dissipating the present apparent separation between

	Labour Shares
Managing Director and two Directors ..	75
1 Secretary .. .. .	40
1 Accountant .. .. .	30
1 Clerk .. .. .	20
1 Storeman .. .. .	20
1 Mine Manager .. .. .	60
1 Assistant Mine Manager .. .. .	35
70 Miners, Grade A, 25 shares each ..	1,750
6 Mechanics, Grade B, 20 shares each ..	120
13 Shiftmen and Roadmen, Grade C, 18 shares each .. .. .	234
41 Truckers and Labourers, Grade D, 16 shares each .. .. .	656
6 Boys, Grade E, 12 shares each ..	72

the interests of Capital and Labour. It is a method, and probably the only method, by which Capital and Labour can be brought together and united in a single endeavour to produce a profit which will show a return of the due interest and profit to Capital, and at the same time return profits as well as wages to the employees." The scheme has been favourably noticed by the *League of Nations Journal*, vol. xvii, January 1, 1926; by the *Financial Times*, London, November 8, 1924; in the *Journal of Comparative Legislation and International Law*, February 1926; in the *Manchester Guardian*,

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August 27, 1926 ; and in the *New Statesman*, July 24, 1926, which says that these shares of no par value will strip away the artificiality and misleading notions which cling to the present system.

In my judgment this scheme seems to be most hopeful, as (1) it recognizes that Capital and not Labour is a commodity to be hired ; (2) it is voluntary, and will thus make its way by its own merits, which is much to be preferred to any compulsion by legislation ; (3) it respects personality, which is the great essential in social organization. It needs to be supplemented with a provision for paying off the capital hired, and for giving effect to self-government in industry. It will probably be most effective in small undertakings, as in the vast combines in America the Labour Shares would be swamped by the Capital Shares in shareholders' meetings. But the chief principle to be observed in industrial reconstruction, to begin by experiments of a voluntary nature from below, and not by theoretical and doctrinaire dictation from above, is fully satisfied in this scheme.

### V. VARIOUS SCHEMES FOR CO-PARTNERSHIP.

It would require a separate volume to deal at all adequately with the many experiments in co-partnership. All we can do in this section is to mention some of them, and to point out why they fail to satisfy the ideals of Labour.

#### 1. *Paternalism in Industry.*

In England the three great outstanding examples of Paternalism in Industry are the factories of Messrs. Rowntree at York, of Cadbury at Bournville, Birmingham, and of Lever at Port Sunlight, Birkenhead. I

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have visited all three, and am deeply impressed by the immense enthusiasm which has humanized industry and provided for the health and happiness of the workers. A real passion for Justice inspired by love has been put into every detail of the organization of the worker's life, and one profoundly admires the thoughtfulness which has understood that industry is a personal and spiritual effort and which has neglected nothing which psychology and physiology can teach us. But as one of them said in showing me over his works : " It has paid me over and over again in a thousand ways ; but I couldn't have done it unless I had already made my pile or if I were a man starting on a small scale."

This will indicate one of the reasons why these most valuable examples of humanism in industry do not provide a national solution to our problem. They have set a high standard for others to aim at ; they have demonstrated that the highest care and consideration for the worker in every aspect of his life is profitable. But they still equate Capital with Labour, and do not, as far as I can ascertain, admit Labour to the directorate and to full access to the books. I think paternalism has an important function to perform in the transition to freedom and self-government in industry, but that it is a stimulant to the increase of profit rather than a solution of our industrial problem, and weakens Trade Unionism in its effort to lift the whole mass of workers.

### *2. Co-partnership in America.*

In America the same passionate desire to harmonize industrial conditions with Christian principles is manifest. I have met many business men in whom this desire mounts to a mystic passion which is quite regardless

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of profit and loss, provided the business can be carried on, which is, of course, a necessary condition of any experiment.

*The Rockefeller Plan*, applied to his coal-mines in Colorado, and described in a brilliant investigation in *Employees' Representation in Coal-mines*, by Ben M. Selekman and Mary Van Kleek, of the Russell Sage Foundation, which publishes it, has been somewhat disappointing in its working. There is no reason to doubt Mr. Rockefeller's good intentions in the matter ; but subordinate officials may not always reflect these, and the effect of the plan has been hostile to Unionism, upon which the basal wage depends ; and " the fear of losing a job prevents a man from opposing a company which gives and can take away his job." This applies equally to other experiments in trying to substitute " internal " unions (within the company) for external or national unions. The internal union cannot produce men of sufficient experience and strength of character and freedom from fear of victimization to negotiate on equal terms with the management.

*The Partnership Plan of the Dutchess Bleachery Incorporated*, described in *Sharing Management with the Workers*, by Ben M. Selekman (Russell Sage Foundation), has admirably stimulated industrial effort. But it fails by equating Capital with Labour in the division of the profits and denying Labour a place on the directorate.

In the *Baltimore and Ohio Plan*, which originated in a common agreement by the Union officials and the railroad management, the shop committee is organically connected with and backed up by national unions with collective agreements covering the whole Baltimore and Ohio system ; and the Railway Management, in return for improved standards of shop production, is

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doing its utmost to keep the shop supplied with work, so that the men gain and do not lose by efficiency, is working well.

Mr. Norman Thomas, in his book *What is Industrial Democracy?* (League for Industrial Democracy, 70 Fifth Avenue, New York), gives the statistics of Employees' Representation in the United States thus—

In 1919, according to the National Industrial Conference Board, 391,000 employees were represented in some form of Works Council. These had grown in 1924 to 1,117,087. In 1924 there were 814 Works Councils. "These represent 212 separate systems of employee representation." Only five of these allow the workers to elect a representative to the Board of Directors.

We may summarize the workers' objections to the Co-partnership plans in general thus—

1. Their effect—and it is suspected with much justification in some cases their intention—is to break up Trade Unionism, which would leave all but the favoured few without protection. When one employer told me that his scheme of high wages and splendid conditions of partnership had paid him as a commercial proposition, I asked in what way, and he answered: "I get the very best and most skilled men in the labour market, who are eager to be employed here."
2. In Internal Unions the elections can be, and have been, much "influenced" by the management, and the representatives intimidated.
3. They bind the worker to the particular company in such a way and by so many strands—his home, his clubs, his recreations, his investment—that he



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is obliged to submit to almost any petty tyranny sooner than risk the loss of his job.

4. Some of the welfare work, which is much advertised and undoubtedly sprang from noble motives, can be and has been used in a way not contemplated in its origin. I hear that in America the Company's nurse, who is sent at once on report of absence through sickness to visit the man in his home, is often refused admittance and rejected as the Company's "spy," which, of course, in no way reflects on her own motive, and may suggest an uneasy conscience ; but as long as the wage system and despotic methods of government prevail, the worker quite naturally does not want the company's representative to intrude into his own home.
5. The same objection applies to one clause in the Lever Brothers Scheme, which is otherwise admirable. On the back of the certificate (*The Six-Hour Day*, by Lord Leverhulme, 1918, George Allen & Unwin, p. 135) is printed the conditions on which the certificate becomes cancelled. Section 2 (i) begins, "Neglect of duty, dishonesty, intemperance, *immorality*, etc." This last word is extremely vague, and suggests that the Company establishes a moral censorship over its employees which might be abused if it went farther than efficiency in work. It might also lead to the perversion of ethical values by over-emphasizing those virtues which pay best to the neglect of others. Few companies would follow S. Paul's teaching when he brackets "covetousness which is idolatry" with fornication in an equal condemnation. This clause also emphasizes the inequality of the partnership between Capital and Labour,

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as there is no proposal to cancel the shares of one who contributes money only if he is immoral !

For these reasons and others, while we regard these forms of partnership as a valuable stimulant to effort and a step in the right direction, we cannot count them as a solution of the right relationship of Capital and Labour.

### VI. WORKERS AS CAPITALISTS.

#### 1. *Widespread Stock-holding.*

The very high wages in America are accounted for in an interesting book by Bertram Austin and W. Francis Lloyd, *The Secret of High Wages* (T. Fisher Unwin), under these headings : (1) Promotion by merit and ability only ; (2) Small profits and quick returns ; (3) Rapid turnover needs less capital ; (4) No limit to a man's output ; (5) No limit to payment by results ; (6) Elimination of waste ; (7) Attention to welfare, etc. There are other reasons, such as the greater alertness of the American to seize on new ideas, the absence of the hide-bound traditions of the English men of business, the stimulating climate, the equality of status, and the restriction of immigration. It is doubtful whether the strenuous speeding-up which brings high wages does not at the same time largely destroy the capacity to enjoy them by leaving for leisure hours only an exhaustion which needs new stimulants. But the high wages policy has led to a curious result of which the economic consequences cannot yet be fully known. The workers have become Capitalists ! From an article in the *New York Times*, November 11, 1925, by Evans Clark, we learn that 15,000,000 Americans now own stock in some corporation (what we call " Company ").

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Close corporations are rapidly disappearing. The general prosperity and the nation-wide campaign to sell Liberty Stock when America entered the War educated the masses into what used to be the mysterious privilege of the few—the receiving of interest on savings. This remarkable movement has brought about a revolution in finance. It is variously estimated as (1) a safeguard against attacks on the Capitalist system; (2) an opportunity to enlist an army pledged by self-interest against Government ownership or Nationalization by creating popular ownership; (3) an inevitable development by which democratic ownership will succeed concentrated ownership. Professor Ripley sees in it “an alarming divorce of the ownership of property from any direct accountability for its prudent management,” and “the assumption of irresponsible control by intermediaries, most commonly bankers,” and urges an extension of the power of the Federal Trade Commission to include enforced standardization and publicity of corporate accounts. Even when all the stock has voting powers it is certain that a solid nucleus of block votes will give all power to the few. Employees are engaged in selling the stock of their own corporation for a due reward. No one knows how this new departure will work out. Living on interest may diminish working power; and in a period of “slump” men may find themselves in the position of the South Sea Islanders who made a precarious living by taking in one another’s washing.

### *2. Voteless Stock.*

Another development of great economic interest in America is the increasing custom of issuing voteless stock, which seems likely to concentrate the government of industry in the hands of Bankers. This came before

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the public in a dramatic way when Clarence Dillon, a young banker of forty-three years of age, outbid J. P. Morgan & Co., purchased the Dodge Brothers Incorporated for \$46,000,000, and a week later headed a syndicate of bankers in the sale to the public of \$60,000,000 worth of securities. Thus, as Mr. Evans Clark says, "Mr. Dillon and his associates made a net profit on the transaction of about \$14,000,000 by the simple expedient of mortgaging the property to the full amount of its cost to them plus a considerable amount of capitalized future earning power" (*The New York Times*, February 7, 1926). The stock consists of Class A Stock, sold to the public, which has no voting power in the election of directors, and Class B Stock, which has full voting power in the election of directors, and of which the entire 500,000 shares are held by the syndicate of bankers. Professor Ripley, of Harvard University, in a speech before a meeting of the American Academy of Political Science, made some months before this transaction, strongly condemned the custom of issuing voteless stock, and about the time of the Dillon deal the Board of Governors of the New York Stock Exchange issued a caution that the Committee "in listing securities will give careful thought to the matter of voting control."

All this has an interesting bearing on "Absentee Ownership" *versus* "Workers' Ownership."

### 3. *The Plan of the Woodbrooke Conference.*

In 1918 a conference of eighty-five of some of the largest employers of labour in Great Britain, belonging to the Society of Friends (the Quakers), met at Woodbrooke;<sup>1</sup> and we append a rough analysis of their

<sup>1</sup> *Quakerism and Industry* (Woodbrooke Conference of Employers, 1918.)

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findings, as they seem to suggest a righteous way of transition to a more just system of the distribution of the rewards of labour, and a way of harmony between Capital and Labour until the abolition of the Wage System and the establishment of Workers' Control can be realized. They form an important contribution to realizing the Economics of the Kingdom of God.

(1) *The Industrial System* (p. 130).—The discussions were to discover and define the duties of employers within the present industrial system, not because we hold a brief for it or regard it as an ideal, but because the task of changing it immediately is beyond the power of individual employers or groups of employers. . . .

We recognize, however, that as citizens we should work towards the alteration of the industrial system in so far as we regard it as inconsistent with the principles of our religion ; but in the meantime we cannot afford to neglect the urgent needs and the outstanding opportunities which confront us in our own factories.

(2) *Industry a National Service* (p. 131).—We believe that it is only in so far as those engaged in industry are inspired by the true spirit which regards industry as a national service to be carried on for the benefit of the community that any general improvement of industrial relations is possible.

(3) *Spiritual Motive or Soulless Chaos* (No. 7, p. 131).—Some employer may tell us that we are asking him to draw too many practical inferences from a religious formula. But this conception of the divine worth of life is more than a formula. It is a vantage ground from which we can survey the whole field of social and industrial life, seeing in it, not sheer blind turmoil, but a vast meaning and a vast hope. There is but one way of escaping from the implication of such a conviction—

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to abandon it entirely, to forsake the vantage ground, and to forget the only vision which could dominate our whole lives. Then the world of industry may revert to a soulless chaos in which we strive for our own ends. But these ends, even as we achieve them, will seem meaningless and vain.

(4) *Religion the Final Word* (No. 8, p. 131).—Doubtless to take the other course and claim for our religious faith the final word upon the problems with which industry confronts us may tax severely not only our financial resources, but heart and will and brain. But is this a disadvantage?

(5) (i) *Wages*—(a) *The Basic Wage*.—The wages paid to a man of average industry and capacity should at least enable him to marry, to live in a decent house, and to provide the necessities of physical efficiency for a normal family, while allowing a reasonable margin for contingencies and recreation.

(b) *Secondary Remuneration*.—The Secondary Remuneration is remuneration due to any special gift or qualification necessary for the performance of a particular function—e.g. special skill as a tradesman, special strength of some physical organ (gas stoker) . . . responsibility for human life, as in the case of a locomotive engine driver. We believe that if once the Basic Wage is fixed at the right level, the precise amount of secondary remuneration may be left to bargaining. But the employer should remember “that the pleasures and varieties of life are just as dear to the workers as to himself, and that they too need comfort, rest and change of scene.”

(6) (ii) *Status* (p. 134).—The worker asks to-day for more than an improvement in his economic position. He claims from employers and managers the clear

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recognition of his rights as a person. The justice of this claim our religion compels us to admit. We cannot regard human beings as if they were merely so many units of brain power, so many units of nervous or muscular energy. We must co-operate with them and treat them as we ourselves should wish to be treated.

This position involves the surrender by Capital of its supposed right to dictate to Labour the conditions under which work shall be carried on.

It involves more—the frank avowal that all matters affecting the workers should be decided in consultation with them, when once they are recognized as members of an all-embracing human brotherhood.

## CHAPTER VI

### RELIGION AND POLITICS

THE ideas of Mr. Gradgrind and of his schoolmaster, Mr. Choakumchild, on the subject of Political Economy still prevail among those who claim to be the ruling classes in England, so that it may be well to reproduce them here. We find Sissy Jupe in Dickens's *Hard Times* being taught the elements of Political Economy at school. When, in answer to the question, "What is the first Principle of this Science?" she answered, "To do unto others as I would that they should do unto me," she was severely rebuked. The whole system of the Ruling Classes of Coketown, which had its central fortress in the Library of Stone Lodge, would have crumbled into dust at a touch of the Golden Rule. In that Observatory, where the deadly statistical clock measured every second with a beat like a rap upon a coffin-lid, and knocked every little second on the head as soon as it was born, Mr. Gradgrind stood, a man of realities, a man of facts and calculations, who proceeds upon the principle that two and two are four and nothing over, and who is not to be talked into allowing for anything over; with a rule and a pair of scales and the multiplication table always in his pocket ready to weigh and measure any parcel of human nature, and tell you exactly what it comes to. Mr. Gradgrind and his conceptions of economics is still with us. But the Golden Rule is the basis of the Economics of the Kingdom of God.

There are many signs that a great change has come



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over our National life, and indeed over the life of the civilized world. The utter failure of Mr. Baldwin's Conservative Government to deal in a just and wise manner with the Coal Dispute ; the great discourtesy with which the Archbishop of Canterbury was treated by the Government in the refusal to broadcast his proposals for peace ; a discourtesy repeated by the Prime Minister when the Bishops and other leading representatives of the Christian Communion tried later on to mediate ; the scandal of the passing of the Eight Hours Act in the face of the strongest condemnation of this proposal by the Royal Commission, and the insolent tone of the many letters in the daily Press telling clergy to mind their own business and to leave politics and economics alone, have awakened Christendom in England to realize that there is something very wrong with our method of government. People are beginning to realize that our party politicians are becoming increasingly subservient to the representatives of those vast combinations of Capitalists which control the credit of the world, and to wonder what Christians should do in the face of this new, cold, bloodless, cruel, financial tyranny which is threatening the lives of men. It seems, then, desirable to examine the subject under the popular but misleading title at the head of this chapter, "Religion and Politics," misleading because questions of economics are often confused with politics.

### I. THE SPIRIT OF SCHISM.

Disintegration is the curse of this age. Men have torn asunder what God had joined together. We trace it everywhere in life, in politics, in economics, in science, in religion and in home life. The Labourer has been

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divorced from the land, his labour-force from the Labourer ; wealth is divorced from the work which created it, and work from the worship which ought to sanctify it ; sacraments are divorced from their social purpose ; fact from value ; science from art ; the individual from society, and society from God. Under the influence which tears asunder what God has joined together, society is rapidly becoming like a multitude of worms crawling away from a decaying corpse, when God meant it to be a living body composed, as our bodies are, of countless millions of cells, each one of which has an independent life of its own, with an impulse to realize that life by spending it on the common wealth.

This spirit of schism tears men's life asunder and divides it into watertight compartments—political, economic, moral and religious ; and then is surprised to find that each section becomes corrupt and decadent. This schismatic spirit reduces politics to the definition of the cynic (D'Israel in 1791) : " The art of governing mankind by deceiving them." It reduces economics to the deification of selfishness, morality to a private fad of the individual, religion to a worthless superstition, and establishes a new form of atheism among all who deal with the actual forces of the Universe : " There is a God all right, but He doesn't count ! "

The chief injury done by this schism in human nature is that it encourages a spurious spirituality which is wanting in all moral connotation of righteousness and love. To say that the Church has nothing to do with politics or economics is to banish God from 95 per cent. of the life of man ; for politics when interpreted as concerning economics enters into almost the whole of man's life. If we examine the record of Acts of Parliament, we find that Parliament touches the life of

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man from the cradle to the grave. From registration of birth to compulsory school attendance, from housing and drainage and adulteration of food to hours of work and minimum wage, through education, insurance and military service, peace and war and taxation to old age pensions, politics dominates 95 per cent. of the lives of millions ; and when we are told that the Church has nothing to do with politics it means a spurious spirituality which does not cover the whole life of man, but confines its ineffectual efforts to the 5 per cent. which is left over.

To give one example of this spirit of schism, let us take a passage from a sermon on *The Church and Industrial Questions* (1919, S.P.C.K.), by Dr. A. C. Headlam, the Bishop of Gloucester. On page 19 he says : " But with the difference between monarchy and republic, between imperialism and self-determination, between socialism and individualism, between competition and co-operation, between free trade and protection, it (the Church) is not concerned. *These differences are not moral, but political and economic.*" (The italics are mine.) What a fatal abstraction ! Will the Bishop tell us whether the question of Betting and Gambling is moral, or is it political, or is it economic ? Is the oppression of the poor by sweated wages, or the proposal to disendow the Church, moral, or is it political, or economic ? Surely this is a confusion of thought, or a piece of slipshod phrasing. Is " the difference between competition and co-operation " not moral ? But the Bishop has the grace to contradict himself most promptly, for on the next page he says : " It is not its (the Church's) business to discuss economic questions . . . let it continue true to its witness . . . let it strive to substitute the conception of brotherhood for a spirit of com-

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petition or rivalry . . ." (pp. 20, 21). Could confusion be worse confounded? The Church is not concerned with the difference between co-operation and competition, which is not moral but political and economic, but it is to strive to substitute the conception of brotherhood for the spirit of competition!

Or again, in a letter to *The Times*, August 11, 1926, protesting against the action of some Bishops and other Christian leaders in attempting reconciliation in the Coal dispute, Dr. Henson, Bishop of Durham, writes protesting against "the fatuous but plausible notion that sentiment can dominate economics." He says that "it is altogether fallacious to bring in pleas ethical and religious," and then refers to economic law "rightly conceived as final and inexorable." His whole argument is based on the fallacy that the coal industry can only be conducted as it is at present, for private profit by private persons, when there are three other ways of conducting it known to every student of economics, one of which ethical and religious sentiment will soon oblige the nation to adopt. He seems quite unaware that the idea of "final and inexorable" economic law was exploded by Professor Marshall, and is now confined to that section of economics which deals with the constitution of the Universe, with land, sea and climate; and that Mr. R. G. Hawtrey, in his able book, *The Economic Problem* (1925, Longmans, Green & Co.), concludes a convincing argument with the emphatic words: "But Economics *cannot* be dissociated from ethics" (p. 184).

This will sufficiently illustrate the spirit of schism, which splits human personality into isolated activities, when in reality they are interpenetrating, for the life of man is an organic continuum.

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## II. DEFINITION OF TERMS.

But at this point it may be well to attempt to define our terms.

### 1. *Politics.*

Politics is defined in the *New English Dictionary* (Murray) as the science and art of government: the science dealing with the form, organization and administration of a state or part of one. Also "the politics" are public or social ethics, that branch of moral philosophy dealing with the state or social organism as a whole.

### 2. *Economics.*

- (i) Pertaining to the management of a household or the ordering of private affairs.
- (ii) The Science relative to the production and distribution of wealth.

To which Gide's definition, quoted on page 52, is to be preferred.

### 3. *Ethics.*

Is the science of morals; the department of study concerned with the principles of human duty. In A.D. 1619 Fotherby divides "morall philosophie" into three parts, "Ecclestickes, Oeconomickes and Politickes." Bentham, 1789 Edition, *An Introduction to the Principles of Morals and Legislation*, page 108, says: "Ethics at large may be defined, the art of directing men's actions to the production of the greatest possible quantity of happiness on the part of those whose interest is in view. What then are the actions which it can be in a man's power to direct? They must be either his own actions or those of other agents. Ethics in so

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far as it is the art of directing a man's own actions may be styled the art of self-government or private ethics." Ethics in general is the art of discharging one's duty to one's self (prudence) and one's duty to his neighbour (probity). "Now private ethics has happiness for its end; and legislation can have no other—they go hand-in-hand" (p. 311). I quote these words not as approving hedonistic or utilitarian ethics, but because they show how recent is that excessive differentiation of man's activities which can say that some differences are not moral but political and economic.

### III. DIVISIONS OF ECONOMICS.

It may help to put an end to the use of various misleading phrases, drawn from the classical economists and freely quoted during the Coal Dispute by writers to *The Times* whose economic studies seem to have ended with Ricardo, such expressions as "the final and inexorable law of Economics," "the iron law of wages," "the wage fund theory," and so on, if we realize that, strictly speaking, *there are no iron or inexorable laws of economics*. Gide's division of the science into (1) pure economics, (2) social economics is good. But Sir Josiah Stamp's classification of economic factors in his very able Beckley Lecture, 1926, *The Christian Ethic as an Economic Factor*, p. 24, is so excellent that, with his permission, I reproduce it here.

#### *A Classification of Economic Factors.*

"The separate factors, the resultant effects of which are summarized in economic principles, may be classified for our purpose as follows—

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## ***A. Natural.***

1. *Land.* Its fertility, especially its relative fertility ; its relative response to special treatment, especially its rate of response. Its position in relation to rivers, ports, seas, mountains, centres of population. Its natural products by climate and position.
2. *Seas.* Productivity. Navigability. Accessibility from centres.
3. *Climatic conditions.*

## ***B. Social.***

1. Political and constitutional systems.
2. Codes of law.
3. Fixed customs and religious sanctions (caste, taboo).
4. Gregariousness ; associations ; unions ; societies ; opportunities for collective action. Desire for privacy.
5. Accumulations of savings in the past ; factories and plants.

## ***C. Human.***

1. Physical necessities and differences, hunger, fatigue, sex, relation to climate, tastes.
2. Family life, domestic affection, love of home, or change.
3. Motives to work, to consume, to save ; motive of accumulation, vanity, self-sacrifice, pity.
4. Ability to discover and organize."

He continues : " This is neither exact, nor exhaustive, nor explicit, but it will serve my purpose." I would venture to suggest that the first division would better be labelled " physical " rather than " natural," as the

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social and human are also "natural." He then goes on to explain which factors can be influenced by the Christian Ethic.

The real function of the science of pure economics is now reduced chiefly to the statistical verification of theories. For an admirable discussion of the position of Economics as a science, see *Current Problems in Finance and Government*, p. 4, by Sir Josiah Stamp (P. S. King & Son, 1924).

It may illustrate the validity of the above classification if I record my impressions of a lecture given by Dr. Nansen at the Queen's Hall, London, in aid of the "Save the Children Fund." Shortly after the War this fund sent relief to all the famine districts in Europe, and Dr. Nansen organized and administered such relief as we could send. He showed us lantern pictures of relief being administered in a Russian village. It was impossible to feed all. Some had to starve to death. The food was rationed to last over the three weeks which must elapse before new supplies could arrive. One hundred out of the three hundred inhabitants alone could be fed. A careful selection was made. The aged resigned themselves to die. The young must be fed. But not even all of these could be saved. The next picture showed us a Russian boy of fifteen standing in the snow and looking at us from the screen. He had been to the kitchen, had found that his name was not on the list, had asked, "Then must I go out to die?" and on being told that that was his fate had politely bowed and manfully walked away, pausing only to be photographed that his pathetic eyes might look, mild and reproachful, upon us, his brethren, and upon a civilization which was so absorbed in making profits that in its wars and famines and diseases and slums it



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condemns millions of the innocent to death. At that time wheat was being thrown to the hogs in Chicago because of an abundant harvest, so that the price of the remainder might be kept up.

Dr. Nansen then told us that the proprietor of an English newspaper had frozen up the springs of charity by spreading a lie for which there was not the slightest basis in fact, that the food sent to the relief of the starving was being stolen by the Russian Government. He offered us proof that of many hundreds of thousands of sealed sacks of food in sealed railway trucks sent to the Relief Committee in Russia only one sack had been tampered with, and that the Russian Government had kept faith in every way. He then spoke burning words of condemnation of the owner of that newspaper who, himself a millionaire, had by a baseless lie sacrificed to his political venom the lives of children in this far-off land.

In this incident we find the various factors the resultant effects of which are summarized in economic principles.

1. *The Constitution of the Universe.*—The chemical and physical sequences and activities, and the mathematical measurements—the quantity and quality of the food to be distributed, the number to be fed, the distance to the nearest supply depot, the time before new supplies can arrive. These are not economic laws, but observed sequences in Chemistry, Physics and Mathematics.
2. *The Economic Decision.*—These chemical, physical and mathematical facts and measurements given, the economic problem arises, how best to use the resources available. Shall all the three hundred

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live for a week, and then all die? or shall two hundred die now in order that one hundred may have a fair chance of survival? Which to keep alive, old or young, sick or healthy?

3. *The Anti-Christian Economic Antecedents*.—Production for private profit; unrestrained competition; distribution for private profit, not according to need; consequential and inevitable war, disease and famine.
4. *The Christian and Humane Spirit*.—Doing noble ambulance work in trying to modify some of the inevitable consequences of the Capitalist, or, more correctly, the Plutocratic System, and pledged by every Christian principle to change this system, based on selfishness alone, to one based on co-operation and fellowship.
5. *The Devil*.—The father of lies and his agent, the newspaper proprietor, trying to hinder Christ's work, and to some extent succeeding in his aim.
6. *The Boy*.—Representing the poor and weak and oppressed humanity in whom Christ is for ever crucified again, by the forces of Pride and Prejudice, by vested interests and greed and selfishness.

This will be sufficient to enable us to see in vivid contrast the conflict between God and Mammon, between the economics of Plutocracy and the economics of the Kingdom of God. We will pass on to consider what is the duty of Christians and their chosen leaders in the present circumstances.

### IV. THE SPIRIT OF FELLOWSHIP.

We have seen that the spirit of schism which tears asunder what God has joined together, the material

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from the spiritual, the ethical from the political and economic, has disintegrated society and produced a spurious spirituality of merely personal pietism and a God who does not count. This false presentation of the Gospel as a mere message of individual salvation has made the Christian religion a sort of sublimated selfishness, and withdrawn the Church from the battlefield of life until the very existence of Christianity is threatened. This withdrawal of the Church from its due influence on public life is a quite recent historical development. It dates from the decay of faith in the eighteenth century, when a barren Deism was substituted for the living God, an "Absentee Owner" for the God who actively rules and inspires and guides the life of man in the paths of Righteousness and Justice.

### ***The Decay of Religion.***

In a thoughtful article in the *Atlantic Monthly*, January 1925, U.S.A., entitled "Can Christianity Survive?" Niebuhr Reinhold, commenting on Bertrand Russell's *Prospects of Industrial Civilization*, writes thus: "The ills from which all men suffer are obviously the consequence not of nature's enmity, but of the cruelty and selfishness of his fellow-men. If he wants for bread, the cause of his hunger is not the reluctance of the soil to yield him her increase, but the unwillingness of the strong to make an equitable division of the riches which they have pressed from nature's bosom."

"As a matter of fact, religion is not at present a vital factor in our civilization. In restricted fields it still influences moral life, but it is not reckoned with in social relationships. If organized religion enjoys a prosperity in America which seems to invalidate Mr. Russell's argument, that is only because in our paradise

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of national security and universal opulence we have not yet felt the enormity of the sins of greed and violence which are corrupting our civilization and which seem to prove the impotence of religion " (p. 85).

*Alienation of Workers* (p. 85).—"What is true in Europe, and is becoming increasingly true in America, is that the humble and lowly folk, the world's burden-bearers, whose religious attitude was once proverbial, are not only alienated from but are hostile to religion. This alienation is due not so much to the remoteness of the natural world as to the unwillingness of the dominant classes, who still profess religious faith, to be guided in their social actions by the obvious moral implications of their declared faith. For every person who has renounced religion in our day because it failed to convince his mind, two have renounced it because it outraged their conscience by its tacit support of traditional social wrong.

"In England alone the situation is somewhat more favourable, for the English Church never lost contact completely with the Labour movement, and so the class struggle is tempered with a measure of religious idealism."

*Spiritual Ethics* (p. 87).—"It is quite clear that such a world can be saved only by a spiritual ethic which will inspire men to trust human nature as essentially good, and which will make economic and political institutions subservient to human welfare. The Church has such an ethic in the Gospel. . . . But the Gospel of Jesus became diluted with Greek philosophy, and the Church which was sworn to teach it became involved with social groups and nations whose interests and instincts ran counter to its ideals, so that in time an emaciated ethic of mere respectability was substituted for real Christian morality. This failure of the Church to insist

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on its own religion has been disastrous to civilization and to the Church itself. Having become impotent before or in actual league with the forces of economic greed and racial passion, which have destroyed our civilization, it must face the scorn of the millions who suffer from the sins of modern society and are beginning to understand the causes of their misery."

*The Hope.*—"If religion is to be restored as a force in modern life, it must be able to gauge the evil in human life and yet maintain its faith in the spiritual potentialities of human nature. It must be able to deal with the problems of economic and political life in the spirit of scientific realism, and offer for their solution the dynamic of a faith that is incurably romantic. Nothing less than a transcendantly oriented religion is equal to this task, but it must be a religion that fearlessly faces the moral implications of its faith."

It is by such words as these that we are not only convicted of our corporate sin, but also filled with hope. But the realization of that hope is dependent on the reality of our repentance and amendment of life. Bishop Gore says truly: "In our present social organization, with all its manifest crushing of weak lives and grinding the faces of the poor, where has there been the fire of prophetic indignation in the Church, which yet exists to represent Christ and the Bible? . . . How utterly on the whole has the official Church, or the main body of the Church, failed to exhibit the prophetic spirit! This is the first great claim that we make upon the Church to-day: that it should make a tremendous act of penitence for having failed so long and on so wide a scale to behave as the champion of the oppressed and the weak; for having tolerated what it ought not to have tolerated; for having so often been on the wrong

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side. And the penitence must lead to reparation while there is yet time, ere the well-merited judgments of God take all weapons of social influence out of our hands."

### V. THE CHURCH AND POLITICS.

#### 1. *What is the Church?*

So much confusion enters into discussions on this point from the fallacy of identifying the Church with the clergy and from the varied relationships of the Church to the State in different countries, that it may be useful to consider it under these aspects, which we will treat in a different order—

- (a) *The Church as the Body of Christ*—that union of Spirit-bearing men and women through whom Christ continues to do and to teach in every age.
- (b) *The Institutional Church*—the Church as represented in its constitutional assemblies or Synods or Convocations, which speak officially.
- (c) *The Church Group*. Groups of members of Christian Communion who may unite to deal with some particular subject.
- (d) *The Priests and Ministers*, chosen by their congregations, or commissioned by authority, to teach, guide and minister to their flocks, whom we will call "clergy."
- (e) *The Laity*—or "people of God" (Laos). Those who, though not chosen for such ministry, yet have in common with their minister the election and vocation of God to manifest Him in the world by faithful witness.

#### 2. *The Relation of Church to State.*

No classification can be accurate and no uniformity need be aimed at in the relation of the Church to the

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State. The general principle governing such relationships may be roughly stated as—

- (i) The Church as supernatural and supernational is superior to the State, and must be free from its control in fulfilling its function of bringing the Kingdom of God on earth, and in the doctrine, discipline and devotion of those who own allegiance to it. It must be free, as the conscience must be free.
- (ii) In so far as the Church is institutionalized, and makes contracts with those who do not recognize her authority, and owns property, the State has a rightful claim to judge and regulate such things.
- (iii) As every individual Churchman is also a citizen, he owes allegiance to the State in all temporal matters which do not conflict with his conscience or the teaching of his Church ; and this loyalty demands that he will do his best to see that the State is governed in such a way as to promote God's glory and the good of mankind.

The possible relationships may be illustrated from History.

- (a) *Segregation*.—The Christian Church before the nominal conversion of the Empire was a little segregated group within the Empire, with its own economic system, much like a Trade Union.
- (b) *Domination*.—Up to the sixteenth century the Church gradually dominated the State, and politics and economics were a part of moral philosophy, the Canon Law and social discipline of the Church. In more recent times the Jesuit rule in Paraguay

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was of the same nature. Man's life was a unity imposed upon him from without.

- (c) *Disintegration*.—The Renaissance and Reformation shattered Christendom, and tore asunder the life of man into separate spheres, secular and religious. But till the eighteenth century the supernatural sanction, communal purpose and social discipline of industry, trade and commerce, lingered on with decreasing emphasis.
- (d) *Identification*.—Erastianism, the view that the Christian Church and State are two aspects of the same body, first taught by Erastus, a second-rate theologian of Heidelberg, A.D. 1524-42, and still held by Bishop Ihmel of Dresden and Bishop Henson of Durham. I am told that Bishop Ihmel has abandoned it since the Stockholm Conference.
- (e) *Interpenetration*, by which a free Church in a free State inspires the State with high ideals, recognizes its authority in all national affairs, with the reservation of the rights of justice and truth and liberty of conscience, and rebukes it when its leaders do wrong.

### 3. *The Clergy and Politics.*

“Should the clergy interfere with politics?” The brave and timely action of ten Bishops and other Christian ministers and laymen in attempting reconciliation in the Coal Dispute in England (August 1926) evoked a storm of abuse in which the clergy were told to mind their own business and not to interfere with politics. Now is not this word “interfere” a somewhat question-begging term?

(a) *A Non-interfering Deity*.—Dr. W. McDougall, in his book on *Social Psychology*, writes—



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“ The spirit of inquiry has broken all its bonds and soared gloriously, until now the conception of natural causation predominates in every field ; and if the notion of supernatural powers still persists in the minds of men, it is in the form of the conception of a Divine Creator who *maintains the laws that He has made, but does not constantly interfere with their operation.* This change of belief, this withdrawal of supernatural power *from irremedial interference in the life of mankind,* inevitably and greatly diminishes the social efficiency of the supernatural sanctions. Whether our societies will prove capable of long surviving this process is the most momentous of the problems confronting Western Civilizations. The answer to it is a secret hidden in the bosom of the future.” (The italics are mine.)

I agree with this analysis except with the word “interfere,” and with the Deistic presentation of the Creator as an “absentee owner,” and the author’s idea of the supernatural. If by “supernatural” is meant “freakish,” then Dr. McDougall is right. The general mind of civilized man has passed from the idea of a “freakish” universe to one of order ; and the Church has been slow in thus reinterpreting her teaching. But to “interfere” means “to meddle with, to interpose and take part in something, especially without having the right to do so.” Now from morning to night Dr. McDougall acts upon and modifies the Universe, and often with a deliberate and benevolent aim and purpose, and a most beneficent result ; and it is a little hard not to allow God to do the same without saying that He is “interfering.” Those who share my conviction that God is acting on the Universe through His agent, Dr. McDougall, and every other earnest and honest lover and forthteller of the truth, will see that the word

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“interfere” is inappropriate. Many of us will prefer Lord Balfour’s analysis: “Thus to set limits to reality must always be the most hazardous of speculative adventures. To do so by eliminating the spiritual is not only hazardous, but absurd. For, if we are directly aware of anything, it is of ourselves as personal agents; if anything can be proved by direct experiments it is that we can, in however small a measure, vary the “natural” distribution of matter and energy. We can certainly act on our environment, and as certainly our action can never be adequately explained in terms of entities which neither think, nor feel, nor purpose, nor know. It constitutes a spiritual invasion of the physical world—it is a miracle” (*Science, Religion and Reality*, p. 16).

(b) *A Non-interfering Clergy*.—I have dwelt upon this strange survival of Deism in Dr. McDougall’s writings because this “Non-interfering God” is the conception which demands a non-interfering clergy. But this demand “not to interfere” is not confined to the clergy. The coal-owners in Britain, unaware that the principles of *laissez-faire* were dead and buried, told the Government “not to interfere.” In America in 1924 Dr. W. Z. Ripley, the Professor of Economics in Harvard University, delivered a lecture and wrote an article (already referred to) in the *Atlantic Monthly* denouncing the issue of voteless stock, which was greeted with a storm of protest by those who were capturing the control of industry for the Bankers. They demanded that a professor from his academic arm-chair should “not interfere” with practical affairs which he didn’t understand. He would not be browbeaten into “non-interference,” and I see from the front-page article in the *New York Times*, August 25, 1926, that he has returned to the attack with an article in the *Atlantic Monthly* (September 1926)

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entitled "Stop, Look, Listen," in which he points out that incorporation is a privilege. "The people grant to a private body the ineffable enjoyment of immortality, of succession, of impersonality, and of limited liability." Therefore they have a right to certain safeguards, such as appraisals by independent experts, full and intelligible disclosures in balance sheets, etc. Advance copies of the article reached Wall Street on August 24th, and at once a Bear market occurred and many influential stocks went down as much as seven or eight points. We shall no doubt hear again the usual cry of "Don't interfere," which is raised whenever successful exploitation of the ignorant or the oppression of the poor is exposed to the light. So when in England those who consider themselves the ruling classes—Financiers, Employers and their Politicians—tell the clergy not to interfere, there is good reason to suspect that something is going on which fears exposure.

(c) *Financial Pressure*.—Mr. G. D. H. Cole once said, in pleading some cause of righteousness and justice: "The Churches don't count; they are bought." It is true that some priests and ministers have betrayed Christ by allowing financial pressure to influence their judgement and to modify their zeal for social righteousness; and at times when they ought to have spoken out have maintained a prudent or cowardly silence which did not imperil their prospects of promotion, or alienate the wealthy or lead to the withdrawal of subscriptions. While, almost to a man, they are above any possibility of personal bribery, yet some are so involved in institutional responsibilities that they need much courage to do their duty faithfully. The same attempt to stifle thought and speech is often made in America. *The Christian Century*, November 12, 1925,

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reports that a conference of students was summoned to meet at Evanson, and its purpose was thus announced—

“ This is a student conference for the evaluation of the Church as a definite expression in organization and action of the teachings of Jesus, with the end in view of working in and through it, if possible, for the purpose of bringing the Kingdom of God a little nearer than it seems to be at present.” To use the Church to bring the Kingdom nearer !

The *Presbyterian Herald and Presbyter* paper says : “ The students’ conventions of last year manifested an unwise and destructive tendency, but the announcements for this year threaten something much more violent.” And there are dark words about doing irreverence to the Fifth Commandment : “ It is to be hoped that the Board of General Education of the Presbyterian Church and the colleges under its care will have nothing to do with this conference. If they do, then let them count on a greater deficit. Intelligent Christian people are not going to support such destructive liberal movements as this evidently is.” “ Bring the Kingdom of God a little nearer,” say the students. “ Destructive ! ” answer the elders. Which is a conversation worth pondering.

In September 1926 Mr. Green, the much-respected President of the American Federation of Labour, had been invited to address the Y.M.C.A. at Detroit, where the Conference was meeting. The invitation was cancelled on the ground that it would be “ indiscreet ” to have an address from Mr. Green when the Y.M.C.A. had just opened a drive to raise \$5,000,000 for building ! The brazen frankness with which they proclaimed their degradation was a new feature in these sordid transactions.

In England the odious attempt to silence the clergy

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by financial pressure has had its natural reaction when applied to men of honour, and many clergy have been stung by this insult to prepare themselves to take a more active part in social and political affairs. It needs much courage to face the loss of financial support for parochial institutions, and many who have come boldly out on the side of Labour have had for a lifetime to face separation from their family, the loss of the prospect of promotion, and the hostility of the influential. But these are the necessary tests for those who would follow Christ, and the healthy discipline of those who consecrate themselves in the Holy War to fight for the coming of His Kingdom.

Many unworthy motives hinder priests from taking their part in this great Crusade. Adam Smith thus describes the clergy of his day : " Under such a government the clergy naturally endeavour to recommend themselves to the sovereign, to the court, and to the nobility and gentry of the country, by whose influence they chiefly expect to obtain preferment. They pay court to those patrons sometimes, no doubt, by the vilest of flattery and assentation, but frequently too by cultivating all those arts which best deserve, and which are therefore most likely to gain them, the esteem of people of rank and fortune ; by their knowledge of the different branches of useful and ornamental learning. . . . Such a clergy, however, while they pay their court in this manner to the higher ranks of life, are very apt to neglect altogether the means of maintaining their influence and authority with the lower. They are listened to, esteemed and respected by their superiors ; but before their inferiors they are frequently incapable of defending, effectually and to the conviction of such hearers, their own sober and moderate doctrines against

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the most ignorant enthusiast who chooses to attack them " (*Wealth of Nations*, p. 289).

This spirit still exists to some extent. Clergy who are bent on their own promotion constantly pride themselves on their moderation, prudence, tact and caution ; and when courage and decision is needed and the unpopular thing has to be said, they are too prudent and cautious to be crucified with Christ.

Others are hindered by that mental sloth which will not make the necessary effort to study the subject, the "closed mind" of the doubter who fears to imperil his faith by exposing it to the light, the moral lassitude which prefers to enjoy the social amenities of a comfortable profession to the risk of challenging conventional ideas on religion, the dead dogmatist whose dogmas are lifeless marbles instead of living seeds which bear fruit, who gives the people stones instead of bread. But one scruple deserves respect. Good and earnest men, both Catholic priests and Protestant ministers, say : " My business is to save souls and train them in holiness. I cannot allow myself to be distracted by mixing in social and political affairs. I must leave that to others." So the Catholic priest concentrates his attention on the Church and its sacraments, and the Protestant minister on conversion and the Bible. We can respect this point of view, even though we cannot accept it. For the individualistic interpretation of religion is not the Gospel of the Kingdom. Sacraments divorced from their social function as the bond of the Divine and Human fellowship have lost their true significance ; and a conversion which does not penetrate and sanctify the social life is not true to Bible teaching. Souls are not made in the sanctuary or the Prayer-meeting. These are the Power stations where the soul

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wins strength for life's battles. But souls are made in the conflict of daily life, in mill and factory, in mine and workshop, where in the decision between good and evil, God and Devil, duty and pleasure, the right and the wrong, the will moves backward and forward weaving the web of character. Many a lad in the confessional has raised the bitter cry to me, "It's impossible to be a Christian in business." The priest cannot sit at home in the smug security of his vicarage and send forth his lads and girls to face a pagan and materialistic civilization. He must go with them into battle and try to Christianize the Social Order so that the seeds sown in his personal dealings may have a friendly atmosphere in which to develop. This two-fold duty, to sanctify both the individual soul and the corporate life, has been recognized in every age but the present. The demand for a Christian environment is well expressed in a letter from a Lancashire cotton spinner, given in *Social Freedom*, by Maurice L. Rowntree—

"It is no good giving lip-service to the principles of Jesus, and then telling us that they will not work in industry, or that we cannot build a social and industrial system upon the principles of the New Testament. Jesus either meant what He said, or He is the greatest deluder that ever deluded the human race. At least let us be honest with ourselves, with society and with Him. In an industrial system with co-operation as its method and service as its ideal, where every worker felt that he was co-operating with his fellows in the service of all, and had a responsible share in regulating the life of the factory and in administering its discipline, I believe religion, especially the Christian religion, would have the greatest opportunity it has ever had of showing its power. No longer should we have a conflict between

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religion and life, but in seeking after success in the one we should realize success in the other. In asking for these revolutionary changes in our social and industrial system we are asking that Jesus may have His chance, by the provision of a social and industrial body through which His Spirit may be able to express itself in all the relationships of life."

### VI. THE SOCIAL WITNESS OF THE CHURCH.

#### 1. *S. Paul and S. John.*

In all the writings of S. Paul and S. John we notice the perfect harmony of the teaching of two men whose characters were in such marked contrast. Each proclaimed the dogmas of the Love of God and the Deity of Christ with the clarion note of an assured experience. Each found that fellowship with God necessitated fellowship with one another. Each interpreted the loftiest vision of mystic wonder into the terms of social ethics. Each made every dogma fruitful in the life of this Fellowship. There is no trace in their writings of that schismatic spirit which would separate the social from the spiritual and the individual from the social.

#### 2. *The Primitive Church.*

Harnack, in *The Mission and Expansion of Christianity*, writes of the Early Church as corresponding to our Trade Unions. He describes the Church Fund which supported the poorer members, the ministers, teachers and officials, widows and orphans, the sick and infirm, the poor and disabled. He quotes Julian, the Apostate, as saying: "These godless Galileans feed not only their own poor, but ours; our poor lack our care." He goes on to describe the care of prisoners and of



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people languishing in the mines. In a great calamity they supported not only Christians but also non-Christians ; as also in burying the dead " (Julian, p. 165). " This godlessness is mainly furthered by its philanthropy towards strangers, and its careful attention to the bestowal of the dead." " The Churches were Labour Unions " (Pseudo-Clementine Hom.) " providing supplies with all kindliness, furnishing those who had no occupation with employment, and thus with the necessary means of livelihood. To the artificer, work ; to the incapable, alms." " It is beyond question, therefore," Harnack proceeds, " that a Christian brother could demand work from the Church and that the Church had to furnish him with work. What bound the members together, then, was not merely the duty of supporting one another—that was simply the *ultima ratio* ; it was the fact that they formed a Guild of Workers in the sense that the Church had to provide work for a brother whenever he required it. . . . The Church did prove in this way a refuge for people in distress who were prepared to work. Its attractive power was consequently intensified, and from the economic standpoint we must attach very high value to a vision which provided work for those who were able to work, and at the same time kept hunger from those who were unfit for any labour." Thus, within the Empire, the Church, as a segregated group, by giving social expression to its Faith, gradually built up the industrial system which would shatter a worn-out civilization and take its place.

### *3. The Middle Ages.*

It is a mistake to quote the Middle Ages as a period when the poor were better off in a material sense than

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they are to-day, for this is historically untrue. But they may teach us four lessons—

(a) Society was related to God so that human values were preserved.

(b) The Communal function of industry and commerce was recognized, so that industry had a spiritual sanction and a moral motive.

(c) The appeal was to Justice and Righteousness.

(d) The life of man was treated as a whole—his work and worship, play and leisure, his soul and body, home and municipal affairs centred round the Blessed Sacrament of the Most Holy Body and the most Precious Blood of Christ, in which holy mystery there is a perpetual osmosis of the Human and the Divine, in which is extended and preserved that act of God by which the Son of God became the Son of Man in order that the sons of men might become the sons of God. This holy Mystery is the Shrine of every value, human and divine, wherein the material is exalted to become the vehicle of the spiritual, and man is made at one with God. Where the Sacramental interpretation of the universe is lost, the unity of man's life is shattered, the soul is divorced from the body, the material from the spiritual, industry from moral purpose, the intellect from the emotions, the head from the heart, fact from value, science from philosophy, the individual from society, and society from God. That is the disease of our age—Disintegration; and its cure is the Social expression of the Catholic Faith which alone can provide the true synthesis; the Catholic complex of Discipline, Dogma and Devotion alone can fully satisfy the human complex of Body, Soul and Spirit. T. L. Hammond, writing of the eighteenth century in *The Town Labourer*, page 329, sees this possibility—

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“ Religion in one form or another might have checked *this spirit by rescuing society from a materialist interpretation, insisting on the conception of man as an end in himself*, and refusing to surrender that revelation to any science of politics or any law of trade. Such a force was implicit in the mediæval religion that had disappeared, good and bad elements alike, at the Reformation. . . . But in England the religion that sprang from the Reformation, *intensely individualistic in its outlook*, alive only at this time in the teaching of the Evangelicals and of the Methodists, *tending to separate the world of the spirit from the world of public life*, made no such claim for humanity.” (The italics are mine.)

But while the Reformation, by shattering the Unity of Christendom, left the forces of greed and covetousness and materialism without any effectual moral and spiritual control, it is not fair to attribute our modern pagan and materialistic civilization entirely to Protestant individualism. The exaggerated individualism based on the false philosophy of atomic personality undoubtedly did much to disintegrate mankind and deprive it of organic unity and social discipline. But Mr. R. H. Tawney, in his great book on *Religion and the Rise of Capital*, has shown that some Protestant teachers, such as Calvin, retained the strongest sense of the need to discipline greed and covetousness. In this book Mr. Tawney traces the sins of avarice and covetousness and the efforts to restrain and discipline these vices through the Middle Ages, the Continental Reformers, the Church of England and the Puritan Movement. He sets out to consider the questions: “Has religious opinion in the past regarded questions of social organization and economic conduct as irrelevant to the life of the spirit,

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or has it endeavoured not only to christianize the individual, but to make a Christian civilization? Can religion admit the existence of a sharp antithesis between personal morality and the practices which are permissible in business? Does the idea of a Church involve the acceptance of any particular standard of social ethics, and if so ought the Church to endeavour to enforce it as among the obligations incumbent on its members?" (p. 13). He shows how the "caste" system of Feudalism was both repressive and protective. "There is degree above degree, as reason is, and skill it is, that men do their devoir thereas it is due. But certes, extortions and despite of your underlings is damnable" (Chaucer, *The Persones Tale*, § 66). It was a harmony of independent functions ministering to the common wealth or the good of the body as a whole. Baptized by the Church, privilege and power became office and duty. Synodal statutes ordered the confessor "to make inquiry concerning merchandising and other things pertaining to avarice and covetousness." Barons and knights are to say whether they have oppressed their subjects with undue tallages, tolls or services. "Concerning burghesses, merchants and officers, the priest is to make inquiry as to rapine, usury, pledges made by deceit of usury, barratry, false and lying sales, unjust weights and measures, lying, perjury and craft," and so on. Up to the Reformation and beyond it "the most systematic treatment of economic questions was still that contained in the works of canonists, and divines continued to pronounce judgment on problems of property with the same assurance as on problems of theology. Laymen might dispute the content of their teaching and defy its conclusions; but it was rarely as yet that they attacked the assumption that questions

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of economic conduct belonged to the province of the ecclesiastical jurist " (p. 80).

" Luther's utterances on social morality are the occasional explosions of a capricious volcano, with only a rare flash of light amidst the torrent of smoke and flame, and it is idle to scan them for a coherent and consistent doctrine."

" Professor Troeltsch has pointed out (*Protestantism and Progress*, 1912, pp. 44-52) that Protestants not less than Catholics emphasized the idea of a Church-civilization in which all departments of life, the State and society, education and science, law, commerce and industry, were to be regulated in accordance with the law of God " (p. 91).

And so through fascinating pages, profusely illustrated by extracts from contemporary writers in every age, convincing by the wealth of historical evidence, and above all by the sympathy with which the author enters into the feelings of each age and the justice of his judgments, Mr. Tawney establishes firmly in our minds and hearts the conviction that it is only in the last two hundred years that the Church has abandoned the battlefields of politics and economics, and withdrawn into a sectional pietism, where it broods in disastrous isolation on speculative theology and ecclesiastical trivialities, or Protestant shibboleths, which have become fatally divorced from life. Many a weary parish priest and many a discouraged minister will recognize that this is the secret of their failure, a sectional gospel which does not embrace the whole of the life of man ; and under the inspiration of the Saviour's prayer, " Thy Kingdom come (on earth as it is in heaven), Thy Will be done (on earth as it is in heaven) " will begin to preach the thrilling Gospel of the Kingdom of Heaven.

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Gustave le Bon has pointed out, in his clever book, *The World in Revolt*, that ideas govern the world, and that a Mystic spirit enshrined in an inspiring battle-cry can change a civilization. "Psychological forces in which moral activities are included do not control the fate of battles only. They rule over all departments of national life and determine the destinies of peoples" (p. 1). "One of the difficulties of the present age is precisely the fact that contradictory and irreducible mystic ideals are everywhere in conflict. In our days political beliefs have replaced religious beliefs, but they are really nothing but new religions. . . . The part played by beliefs has been so preponderant in history that the birth of a fresh mystic ideal has always provoked the dawn of a new civilization and the downfall of previous civilizations" (p. 15). "The fundamental ideas that guide mankind, above all the religious ideas, eventually dominate all the elements of a civilization" (p. 66).

We have the mystic idea: the Reign of God over a Co-operative Commonwealth of Nations—the coming of the Kingdom of God. We have the battle-cry—the Brotherhood of Man beneath the Fatherhood of God; and if we have the courage, we have the assurance of victory.

### VII. WHAT CAN BE DONE?

Those who really believe in God will avoid two errors in dealing with the subject, the errors of mere imitativeness and of mere conservatism. We must not attempt merely to imitate the past. That is not God's will. History records a gradual evolution in this matter by trial and error, of many methods, and if we really believe in the guidance of the Holy Spirit we shall

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understand that while we learn all we can from the past, we are called to think out our problems afresh in every age, and thus to interpret the will of a living God. For in all social, political, economic and ecclesiastical affairs there are two elements—the value and the form, which correspond to soul and body. In a changing environment, if any organism desires to preserve its values it must be willing to adapt its form. If it refuses to adapt its form it will lose its values. The most dangerous revolutionary is the conservative who insists on adhering unintelligently to the forms of the past and thereby sacrifices the value, as would a man of sixty years of age who insisted on continuing to wear the breeches he wore when he was six ; while the true conservative is the revolutionary who is so passionately devoted to the value that he is eager to adapt the form. This truth will warn us against merely imitating the methods of the past, and encourage us to think out under the guidance of the Holy Spirit the best method of expressing the Christian values for our own age in an ever-changing environment on some such lines as these. (I confine myself mainly to England in these suggestions, for the relationship of Church and State differs in every country and in every decade.)

### *The Official and Institutional Church.*

In my judgment—

1. It seems undesirable that the Official Church should identify itself with any particular party in any particular land. For the Church is supernatural and supernational, and at all costs she must preserve her spiritual independence. Her duty is to sanctify politics, not to dictate policies ; and a close alliance with a party which has a mixed programme, some good measures

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and some bad, would cripple her function as the Conscience of the Nation, and would violate the freedom of her individual members. This, of course, does not affect her duty of attempting to reconcile conflicting interests and classes, as in the noble attempt to mediate by the Archbishop of Canterbury in the Coal Dispute, which, if it had been accepted, might have saved England from the ruinous economic warfare forced on us by incompetent politicians.

2. It is undesirable that the Official Church should only intervene in political affairs when her own supposed institutional interests are affected. The Church is not an end in herself, but a means to the end of establishing the Kingdom of God in righteousness and justice.

3. It is desirable that groups of Christians who have made some aspect of politics or economics their special study should publicly bear witness on political and economic subjects, especially for the protection of the poor, the weak or the oppressed. This is especially desirable when there is an opportunity of reconciling contending parties, as when the ten Bishops and other Christian leaders attempted reconciliation in the Coal Dispute, and to save the country by their wise and timely action from a brutal triumph of mere force.

4. It is desirable that the parish priest or minister shall instruct his congregation habitually on the social implications of the Faith and their economic and political expression. The Christian body in every locality should co-operate in their social witness : the pastor expounding the general principles of righteousness and justice and commending them to the conscience of every man ; the parish council contributing their particular experience of how these principles may be applied in practice, and the whole congregation insisting on the honest, just



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and righteous administration of local affairs. The organizations of women must not be neglected as they have been in the past. Women often know much more about economics than men. For while men are reading the daily papers (betting and football columns chiefly), women are dealing with human personality (babies) and (buying and selling) in domestic economy.

5. In addition to his function as leader of a corporate body, every priest and minister has his own sacred duty and inviolable right as a citizen to bear his witness as his conscience may require. But if he associates himself with any particular party he should carefully preserve his independence; and when he speaks on disputable and controversial subjects he should make it clear that he is speaking as a citizen and not as a priest, so that his judgment may have only the weight of his personal character and not that of his official position. It seems desirable for priests who feel that they ought as citizens to take an active part in political controversy to do so in open meetings in halls, where their personal opinions may be challenged and debated, and not from the pulpit at Mass. For to attend Mass is a Christian obligation, and the priest when he speaks from the pulpit is speaking by the authority and in the name of the Church and of God.

Of course no rigid rule can be laid down, and at no time and in no circumstances can a minister rely upon a rule to dispense with the guidance of the Holy Spirit and common sense; nor can zeal dispense with discretion. We may doubt whether the earnest Chaplain of the Colorado Legislature was making the best use of his opportunity or of the privilege of opening with prayer when he made this remarkable utterance—

“O Lord, how long is this condition to endure?”

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Our courts are corrupt, God has been expelled from our churches, our pulpits are filled with essayists, our boys and girls are going to the dogs, our labouring men are going to work with empty dinner-pails. While our farmers starve and middlemen wax fat on exorbitant prices, our banks are bursting with money." Immediately after he had concluded the prayer, it was the subject of a debate which continued for several hours, led by a former Minister among the Representatives, who prefaced his speech with the statement: "I do not believe that the Almighty is especially concerned with these little verbal wireless bulletins wherewith our Chaplain has been annoying Him" (*New York Times*, February 9, 1923).

I believe that the above suggestions as to the scope and manner of influencing politics and economics faithfully represents the principles of the Church. But as the great principles which should guide large bodies are sometimes best illustrated by the way in which they are worked out in smaller groups, such as Co-operative Societies, etc., I venture to add that these are the principles which we have worked out in the past forty years in the Order to which I belong, the "Community of the Resurrection," founded by Bishop Gore in 1892. They could not be more admirably expressed than in a letter addressed to the *Yorkshire Post* some years ago by the Superior, after it had been fully and unanimously approved by the General Chapter—

"SIR,—I should be grateful if you would allow me space for a brief explanation of the attitude of the Community of the Resurrection towards politics and political parties. All the members of the Community are agreed in repudiating the suggestion that politics lie outside the

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province of the Church and of religion. We are all agreed that political issues depend upon moral force, and are in the end determined by spiritual beliefs and valuations. We all regard the sphere of political action as one to be claimed for the Kingdom of God, and to be ruled by the Divine justice.

“ But while united in this common outlook we are not agreed in adhesion to particular programmes or parties. We therefore allow our individual members to take what action they think right in the exercise of their obligation as citizens, and in application of our common Catholic principles to political issues. But any such action on the part of individuals must not be taken to commit the Community as a whole. The Community as such does not give any official endorsement to the expression of particular political views ; but it is jealous to maintain the right of its individual members to interpret in terms of concrete action the social and political significance of the Faith.

“ Yours, etc.,

“ E. K. TALBOT, C.R., *Superior*.

“ HOUSE OF THE RESURRECTION, MIRFIELD.

“ *November 18th.*”

Behind every other economic factor lie the land and the control of credit, and behind every political movement lies the problem of the control of the Press. It is impossible in the space at my disposal even to sketch an outline of the Christian aspect of these fundamental problems ; but these points may be noted.

The present basis on which land is held and the appropriation by the landlord of all the land values created by the community is an iniquity which needs an immediate remedy such as the taxation of land

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values. Mr. and Mrs. Hammond, in their book, *The Village Labourer*, 1760-1832, a most valuable contribution to history, have revealed the sad record of the oppression of the poor. Montague Fordham, in *The Rebuilding of Rural England* and *A National Rural Policy*, has made most useful constructive suggestions on a subject on which he speaks with the authority of an expert.

The moralization of property is the alternative to revolution and the safeguard against it. At present property is thoroughly demoralized. It has often been acquired by force or chance, and then ownership has been legalized but not moralized; for the law cannot make a thing right or wrong. The monstrous scandal of the ownership by the landowner of the minerals found under his land, which rests on a mistaken judgment in the reign of Queen Elizabeth (1568), and which is now universally condemned as an error of judgment by the Royal Commission, must be remedied at once by the claiming of all minerals, natural monopolies and public utilities for the community. New Zealand, which is far ahead of the Mother Country in her social legislation, has already done this, and in America many men are bravely battling to preserve national utilities from falling into private hands. Sir Henry Lunn, in his admirable *Review of the Churches*, July 1926, makes this note on the case of the Osage tribe of Indians in Oklahoma: "They were given a certain territory as a reservation without any idea of the immense wealth beneath the soil. This was their property, and oil was discovered, with the appalling result that instead of a yearly dole of £8 of Government money for each Indian, the oil has produced for 2,200 Osages a yearly income of \$13,200 (= £2,600) for each man, woman and child

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of the tribe. They are, of course, surrounded by an army of men bent on their ruin. But the iniquity is just as great when the Marquis of Bute received £115,772, the Duke of Hamilton £115,000, and the Duke of Northumberland £74,000 from coal royalties. In the economics of the Kingdom of God it will be recognized that God is the only landowner and the only coal-owner ; that man is incapable of absolute ownership ; capable only of stewardship on behalf of the community ; that two principles must govern the claim to private property : (a) property for use, and not for power over the lives of other men ; (b) property based on function, not on force. By function is meant some useful service rendered to the community—as in the case of a doctor.

In the rearrangement of property which is necessary to place it on a moral basis, sheer crude expropriation might be abstractly just, but it would not be equitable ; for the community has allowed legitimate expectations to be founded on lawful possession ; so that a “ compassionate allowance ” covering at least one lifetime, and better two (i.e. a man and his son), would be consistent with Christian generosity and equity.

In the matter of communal control of credit, a frontal attack on Capitalism by Communist methods is likely to destroy industrial stability to such an extent that it would starve millions of the poor. It seems to me a better way (a) to prevent the accumulation of vast fortunes in private hands by securing the dissipation of inherited wealth in four ways, on the plan suggested by Mr. Henderson and Sir Josiah Stamp ; (b) to increase the super-tax ; (c) to give legislative encouragement to mutual assurance, co-operative industry and people's banks ; (d) to retain the control of all public utilities in the hands of the Government.

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The control of the syndicated Press demands separate treatment ; but while thankfully recognizing the high traditions of several British newspapers, especially of the *Manchester Guardian*, which is conspicuous for independence, justice, righteousness and ability, there is no force which so seriously imperils liberty as a syndicated Press in the hands of a dozen millionaires, who can stampede the millions by panic methods on the eve of an election.

The economics of the Kingdom of God will strive to rid industry of that secrecy and habitual concealment of the truth which nourishes fraud and justifies suspicion. In a Report, *The Facts of Industry: the Case for Publicity*, 1926, compiled and approved by a Committee of Economists, big business men and accountants, all men of great influence : " The concealment alike of profits or of losses tends to check the adjustment that should take place in the public interest. Our discussion of this subject starts from the assumption that company accounts, and particularly the accounts of concerns which control the economic destiny of large parts of the community, are not of interest merely to the shareholders or to the creditors of the company, but are a matter of general interest, and that therefore company law should be based on that assumption " (p. 10). Professor Ripley has pointed out that in America it is so based. " In an atmosphere of secrecy, however, it is impossible for the wage-earners to be sure that they are receiving equitable treatment or for the public to form a sound opinion of the merits of any particular dispute " (p. 11). They demand that Companies controlling subsidiary concerns shall publish the balance sheets of subsidiaries. " Some of us would go further and require every Company's balance sheet to be

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accompanied by a list of concerns in which it holds a majority of the voting shares " (p. 62).

If such a frankness had been demanded of coal-owners who control the by-product companies, England might have been saved from months of ruinous strife.

### *Conclusion.*

"Howbeit that is not first which is spiritual, but that which is natural; then that which is spiritual. The first man is of the earth, earthy: the second man is of heaven" (1 Cor. xv. 46 and 47). The supernatural must be based on the natural if it is to be healthy. The natural must be penetrated through and through with the supernatural, the mind and will and power of God, if it is to fulfil its purpose. The history of the world reveals to us a progress from the unconscious to the conscious, from the conscious to the self-conscious, from the self-conscious to the God-conscious; from the determinate to the indeterminate, from the indeterminate to the self-determinate, from the self-determinate to the God-determinate, whose service is perfect freedom; from law to liberty, from liberty to love. In the past hundred years England has produced a long line of Prophets who have raised their protest against the tyranny of a soulless, inhuman materialistic economic, and in the name of Righteousness and Justice have proclaimed the Reign of God over the whole life of man. From Carlyle and Ruskin, through William Morris and F. D. Maurice and Kingsley to Bishop Westcott, Henry Scott Holland and Dr. Gore, the call has come to us to realize the social implications of our Faith in the Incarnation of the Son of God. If the all-absorbing passion for the coming of the Kingdom of Heaven which inflamed the Sacred Heart of our

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Lord can be kindled in the heart of each one of His followers, if Christ be enthroned as King not only in the heart and in the home, but in the social and political and economic activities of men, then the world may be saved from the disaster which most surely threatens it, and the Kingdom of this world will become the Kingdom of our Lord and of His Christ.



# THE ECONOMICS OF THE KINGDOM OF GOD

## NOTE A.—STOCKHOLM ECONOMICS.

In England, under the teaching of Bishop Westcott, Canon H. Scott Holland, Dr. Gore, the Revs. Dr. Clifford, Hugh Price Hughes, Dr. Garvie, Canon Lewis Donaldson and other prophets, many groups laboured hard to sanctify the social life.

1. *The Church Socialist League* thus proclaimed its principles, bore its witness and passed away, absorbed into larger movements (as did also the Christian Social Union)—

“ The League is a band of men and women who, believing the Catholic religion of the historic Church of Christ, and attached to the corporate and sacramental life of that Church, hold that the Faith demands a challenge to the world, involving the political, economic and social emancipation of the whole people, men and women, through the application of the fixed principle that the community shall own the land and capital, and use them by such co-operative methods as will promote the common good and secure to all, as workers, the control of their own life and labour. The League further recognizes that no political, economic and social emancipation can be permanent without a change of heart and mind and will.”

2. *The Industrial Christian Fellowship* has for its objects—

- (1) To present Christ as the living Lord and Master in every department of human life.
- (2) To minister by living Agents—men and women—

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to all engaged in industry, seeking to win them to personal discipleship of Jesus Christ.

- (3) To study under the guidance of the Holy Spirit how to apply the moral truths and principles of Christianity to the social, economic and industrial systems of the world.

By means of Open-air Meetings, Crusades, Conferences, Study Circles, Correspondence Courses, Publications, etc., the Fellowship is endeavouring to carry forward its two great objectives : to call men and women to the service of Jesus Christ and to Christianize Industry. General Director : Rev. P. T. R. Kirk, 4 The Sanctuary, Westminster, London.

3. *Copec*.—In 1910 the Social Service Unions of various Christian Communions met in an Interdenominational Conference, and from this arose Copec (Headquarters, 92, St. George's Square, London), a name derived from the initials of its purpose of holding conferences on Christian Politics, Economics and Citizenship. The great conference held in Birmingham in April 1924 was a step towards a " Universal Christian Conference on Life and Work " at Stockholm in August 1925, attended by representatives of every large Christian Communion throughout the world, except the Roman Catholic Church. There in Sweden, as the guests of that noble nation, conspicuous for its grace and courtesy, its high education and its healthy social life, representatives of thirty-five nations (among them the late opponents in the War) met for the first time under the Kingship of Christ and in the power of the Holy Spirit ; and after ten days' conference, for which national commissions had been studying and preparing for two years, we issued our Message, from which I give one extract (§ 6)—

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“Thus, in the sphere of economics, we have declared that the soul is the supreme value, that it must not be subordinated to the rights of property or to the mechanism of industry, and that it may claim as its first right the right of salvation. Therefore we contend for the free and full development of the human personality. In the name of the Gospel we have affirmed that industry should not be based solely on the desire for individual profit, but that it should be conducted for the service of the community. Property should be regarded as a stewardship for which an account must be given to God. Co-operation should take the place of the competition which is merely selfish, so that employers and employed alike may be enabled to regard their part in industry as the fulfilment of a vocation. Thus alone can we obey our Lord’s command to do unto others even as we would they should do unto us.”

In England we owe much gratitude to Miss Lucy Gardener, the Secretary of Copec, for her untiring wisdom, tact and labour ; while the successful organization of the Conference at its meeting was the work of Dr. Henry A. Atkinson, with his world-wide vision and the American habit of dealing with millions as units ; while the Archbishop of Upsala, the Bishop of Winchester, and Dr. A. T. Brown of America bound the meeting together with wise chairmanship.

The International Message was necessarily vague, as the consent of Communions which were more backward in realizing this aspect of the Gospel had to be won. So I append more vigorous utterances from the National Commissions, each supported by the authority of their economic expert.

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### 1. *German Commission.* Extracts. Professor MAHLING.<sup>1</sup>

Page 12.—*The Church must declare war on Mammon (the plurocracy), and must oppose profiteering, sweated labour, speculative gain, faithlessness, avarice, selfish competition ; and, on the other hand, must further all efforts aiming at the protection of human personality and its chances of development. The protection of family life must be one of the chief cares of the Church.*

With this end in view, the Church must intervene for the establishment of the maximum working day, for the right of the employed to form associations, and for the right to work.

The Church will endeavour by means of social conciliation to root out the hostility engendered by the Class War, and to aim at the social unification of the people on the principle of the spiritual and personal freedom of the individual, as well as of the professional group to which he belongs.

### 2. *Swedish Commission.* Memorandum I.

Proposition 1.—The social mission of the Church does not lie outside of her religious work, but is entirely involved in the latter. The Church fulfils her social function according as she is able to carry out the Gospel of Christ as a power which emancipates and re-creates the life of man from within. But she cannot rightly perform her religious mission if she allows herself to be robbed of the privilege of undauntedly placing the life of the social community under the judgment of conscience and in the light of Christianity.

Proposition 2.—Economic production must not be regarded as an object in itself, but only as a means in the service of higher goals. Its principal mission is to

<sup>1</sup> Throughout this section the italics are mine.—P. B. B.

## ***THE ECONOMICS OF THE KINGDOM OF GOD***

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create the material conditions for human culture in all its aspects, and with all its varied requirements. But that life in turn is to the Christian view merely a means to the highest goal of all : spiritual communion between personalities possessing inner freedom and harmony.

*From this point of view, all tendencies to regard economic life as a means for personal profit are to be condemned outright.* But even things which from the point of view of material culture appear to denote progress may prove to be a loss from the view-point of the highest goal. If the order of production leads to the waste of personal values, its effectiveness is purchased too dearly, and it thereby undermines itself.

An order of production is ethically satisfactory only in so far as it likewise has the *character of personal co-operation between co-workers in the performance of common tasks.*

How far removed the present order of production is from this ideal is revealed most clearly in the permanent state of war, ethically and economically ruinous, which prevails on the labour market. The open conflicts between workers and employers which again and again shake the social community are symptoms of an internal tension arising from the actual order of production and of its impotence to bring about real co-operation.

### **3. *Swedish Commission.* Memorandum II. Dr. N. BESKOW.**

*"The conditions now prevailing in economic life imply in many respects an outrage on human worth and a denial of the Gospel of Christ about our Father and our Brethren."*

The increasing intensity of life within the economic sphere has not enhanced the joy of living, but has rather fostered a feeling of dissatisfaction ; it has not given

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rise to a feeling of security, but has rather led to a growing sense of insecurity. The development of economic life into a system embracing all nations has not brought people close together, but has rather given rise to ruinous strife both within nations and between nations. To an increasing degree the masses engaged in the processes of production feel that they are serving objects that are ethically unworthy, and they feel that they are parts of a machine, without personal value. Mammon rules human life with a hard hand. Civilization is being materialized. Spiritual life is disappearing. Spiritual value is being squandered, and moral laws are being trampled underfoot. . . .

*It is not without coming into conflict with powerful and selfish interests that the Church can give effect to Christian principles in the life of the community. This struggle is in its essence a continuation of the fight which the Church's Lord and Master maintained during His time on earth against Mammon for the deliverance of fettered human souls. Therefore victory is certain.*

### 4. *The Dutch Commission.* PROFESSOR SLOTENAKER DE BRUINE.

(1) Christianity has to do with earthly and physical things, and can therefore not be unworldly or unsocial, because it believes in God as the Creator of matter and of the body. But it does not dictate any special social order.

(2) To find the right way, one must distinguish between pure economics and social science—i.e. all that concerns man as man in the process of production.

(3) Christianity does not mean a new law, or moral ethic or technique, but a new spirit in the world. For it proclaims righteousness quite as much as love; the

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Fatherhood of God and the Brotherhood of Man ; the human value of the labourer with his wife and children ; the aim in life lying neither specially on earth nor in heaven, but found in the glorification of God. . . . It does not belong to the Church to vindicate a new social order. Such an order grows and cannot be made.

*The duty of the Church is—*

*The cultivating of revolt against any industrial conditions which degrade man ; the cultivation of a social spirit which teaches us to reverence man and grows out of devotion to the whole, etc.*

### **5. *The French Commission.* ELIE GOUNELLE.**

Page 77.—The visible Brotherhood of the Christian Communions should profess the doctrines of liberty and of love, and should reveal to a world in the midst of a social international crisis the sovereign healing Power of God, i.e.—

- (1) The supremacy of this Kingdom of God ; the holiness, the love, and the glory of God.
- (2) The Leadership of Christ, conscience of consciences, Saviour of Souls, and Regenerator of Society.
- (3) The Power of the Holy Spirit, alone able to convert sinners, to reform tirelessly the Church, and to “ Christianize the social order.”

The right to salvation is the fundamental principle of social Christianity, which demands “ a social order where nothing impedes the spiritual birth and development of man ” (T. Fallot).

“ If Christianity added its moral force to the social and economic forces which are at work building a more just social order, our descendants might read one of

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the most beautiful pages of Christian history" (W. Rauschenbusch).

To fulfil its divine function the Church must be completely free from political parties and from financial influences.

Humanity was not made for the Church, but the Church was made for humanity.

We express the wish that the Churches may strive without wearying for—

The transformation of the present Capitalist regime, characterized by a thirst for profit, competition and class struggles, into a democratic regime of social service, of shared responsibility, and of co-operation, in order to realize: (a) the perfect union of capital, direction and labour; (b) fair participation in control and in the returns on the part of all the factors of production, i.e. of the workers themselves, and their entrance through honest and productive labour into the ownership of the means of production.

Labour legislation must be international to be efficacious.



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### NOTE B.—WILL THE CHURCH LEAD OR FOLLOW?

As the Stockholm Conference was rightly reluctant to express positive economic doctrine, I ventured to suggest negative statements which would denounce as our Lord denounced those evils which were definitely against the idea of the Fellowship of the Sons of God. These proposals were not adopted, but received much sympathetic attention.

The North-western *Christian Advocate*, Chicago, U.S.A., in its issue of February 25, 1926, reproduces them with these comments :—

Father Bull, who, appropriately enough, is an English clergyman, proposes a platform for the Church in its relation to industry which comes pretty near being as radical as the New Testament.

He suggested it at Stockholm last summer, but that Conference “was not prepared to deal with such questions this year.”

Nevertheless, it may be profitable for individual Christians to look this platform over.

1. Any social system which produces material gain at the cost of spiritual values and values money more than life, is anti-Christian.
2. Any social system which uses persons as mere instruments of production, instead of regarding them as co-operative agents for the common wealth, is anti-Christian.
3. The wages system by which labour-force is purchased as a commodity, and by which a cash-nexus

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is substituted for human relationship, is not fitted to express the relationship of the sons of God to one another.

4. The command of God that we shall love our neighbour as ourselves makes it obligatory on the Christian employer sincerely to endeavour to provide for those in his employment such an environment at work as he would wish for himself, and such conditions of home life as he would desire for his own wife and children.
5. That, since national and international credit is a communal product, justice requires that it shall be communally controlled, and not manipulated for the private profit of individuals.

Father Bull also proposed that the Stockholm Conference reaffirm that bold affirmation which was first uttered in Sweden (see the Dutch Commission, Professor Slotenaker de Bruine, p. 215).

*It is the duty of the Church to cultivate revolt against any industrial condition which degrades man.*

On this, too, action was deferred.

The danger is that conferences, Churches, and individuals may defer too long the application of such basic Christian principles as these.

Other organizations, seeing that such ideas have a large measure of reasonableness, may put them into operation while yet the Church is waiting for a convenient season.

It would be in many respects a calamity if on such great issues as these the Church should find itself forced to follow, when it might have been chosen to lead.

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